

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE 1st QUARTER ENDED 31 MARCH 2015**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.3.2014 RM'000	Current Year To date 31.03.2015 RM'000	Preceding Year Corresponding Period 31.3.2014 RM'000
Revenue	34,958	26,943	34,958	26,943
Cost of Sales	(31,402)	(24,605)	(31,402)	(24,605)
Gross profit	3,556	2,338	3,556	2,338
Other operating income	2,698	1,842	2,698	1,842
General & administrative expenses	(5,521)	(4,047)	(5,521)	(4,047)
Profit from operations	733	133	733	133
Finance costs	(521)	(649)	(521)	(649)
Profit/(Loss) before tax	212	(516)	212	(516)
Tax income	335	58	335	58
Net profit/(loss) for the period	547	(458)	547	(458)
Other Comprehensive income, net of tax				
Exchange (loss)/gain on translation of net investment in foreign subsidiary companies	(515)	959	(515)	959
Total Comprehensive income for the period	32	501	32	501
Gross profit margin (%)	10.17	8.68	10.17	8.68
Profit after tax margin (%)	1.56	(1.70)	1.56	(1.70)
Weighted average number of shares ('000)	175,470	159,826	175,470	159,826
Earnings per ordinary share (sen)				
- Basic	0.31	(0.29)	0.31	(0.29)
- Diluted	0.31	(0.29)	0.31	(0.29)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes to the Interim Financial Statements.

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

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	67,217	70,040
Deferred tax assets	628	444
Investment in club memberships, at cost	61	61
Total Non-Current Assets	<u>67,906</u>	<u>70,545</u>
CURRENT ASSETS		
Inventories	30,777	30,028
Trade receivables	37,795	44,027
Other receivables and prepaid expenses	2,655	5,505
Tax recoverable	42	42
Cash and bank balances	14,009	14,840
Total Current Assets	<u>85,278</u>	<u>94,442</u>
TOTAL ASSETS	<u><u>153,184</u></u>	<u><u>164,987</u></u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	87,735	87,735
Reserves	12,275	12,243
Shareholders' Equity	<u>100,010</u>	<u>99,978</u>
NON-CURRENT LIABILITIES		
Term loans	8,539	9,362
Hire-purchase payables	5,052	6,465
Total Non-Current and Deferred Liabilities	<u>13,591</u>	<u>15,827</u>
CURRENT LIABILITIES		
Trade payables	19,282	16,905
Other payables and accrued expenses	1,744	9,412
Term loans	2,920	2,920
Hire-purchase payables	3,660	3,773
Other bank borrowings	11,625	15,331
Tax payable	352	841
Total Current Liabilities	<u>39,583</u>	<u>49,182</u>
Total Liabilities	<u>53,174</u>	<u>65,009</u>
TOTAL EQUITY AND LIABILITIES	<u><u>153,184</u></u>	<u><u>164,987</u></u>
Net assets per ordinary share (RM)	0.570	0.570

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1st QUARTER ENDED 31 MARCH 2015**

	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000
Balance as of 1 January 2015	87,735	(20,515)	32,758	99,978
Total Comprehensive Income for the period	-	(515)	547	32
As at 31 March 2015	<u>87,735</u>	<u>(21,030)</u>	<u>33,305</u>	<u>100,010</u>

	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000
Balance as of 1 January 2014	87,735	(22,520)	26,495	91,710
Total Comprehensive Income for the year	-	2,005	6,263	8,268
As at 31 December 2014	<u>87,735</u>	<u>(20,515)</u>	<u>32,758</u>	<u>99,978</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2015**

	Current Year To-date 31.03.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	212	7,216
Adjustments for:		
Inventories written down	550	4,242
Depreciation of property, plant and equipment	2,807	12,790
Allowance for doubtful debts	1,315	-
Interest expenses	495	2,293
Gain on disposal of Subsidiary company	-	(6,933)
Gain on disposal of property, plant and equipment	-	(74)
Property, plant and equipment written off	-	2
Reversal of inventories written down	-	(289)
Interest income	(30)	(134)
Unrealised gain on foreign exchange	(220)	(1,367)
Operating profit before working capital changes	5,129	17,746
Changes in working capital		
Net change in current assets	6,468	(21,826)
Net change in current liabilities	(5,291)	16,590
Cash generated from operations	6,306	12,510
Tax paid	(640)	(372)
Tax Refund	-	4
Net cash generated from operating activities	5,666	12,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	390
Interest received	30	134
Proceed on disposal of Subsidiary company net of cash	-	5,564
Proceeds from disposal of other investment	-	321
Purchase of property, plant and equipment	(16)	(7,413)
Net cash generated from/(used in) investing activities	14	(1,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire-purchase	(1,526)	(2,427)
Repayment of term loans	(823)	(4,693)
(Decrease)/Increase in other bank borrowings	(3,001)	771
Interest paid	(495)	(2,293)
Net cash used in financing activities	(5,845)	(8,642)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2015 (CONTINUED)**

	Current Year To-date 31.03.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(165)	2,496
Effects of foreign exchange rate changes	39	1,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	14,135	10,156
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	14,009	14,135
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	14,009	14,840
BANK OVERDRAFT	-	(705)
	14,009	14,135

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying notes to the Interim Financial Statements

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (“MFRS”) No. 134

A1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Chapter 9, Continuing Disclosure, Paragraph 9.22 of the Main Market Listing Requirements (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (MASB), and should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2014.

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group for the preparation of the interim financial report are consistent with those adopted in the annual audited financial statements for the year ended 31 December 2014.

The Group has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations, which were issued but not yet effective:-

Effective date : 1 January 2014

IC Interpretation 21	Levies
Amendments to MFRS 10	Consolidated Financial Statements : Investment Entities
Amendments to MFRS 12	Disclosure of Interest in Other Entities : Investment Entities
Amendments to MFRS 127	Consolidated and Separate Financial Statements : Investment Entities
Amendments to MFRS 132	Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting

Effective date : To be announced

MFRS 9	Financial Instruments
Amendments to MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures

A2. CHANGES IN ACCOUNTING POLICIES

There are no material changes in Statement in Financial Position, Statement of Comprehensive Income and Statement of Cash Flows presented under MFRS framework and the Statement of Comprehensive Income and Statement of Cash Flows presented under FRS framework.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

Further to our announcements dated 11 February 2015, 3 March 2015 and 7 March 2015 and 27 May 2015 respectively, please find the summary of the announcements as follows:-

On 4 February 2015, the Board of Directors of the Company (“the Board”) received an allegation letter against certain Senior Management of the Group on misappropriation of the Group’s fund of approximately RM3.9 million.

On 9 February, 2015, due to the inability to ascertain the factuality of such allegation, the Board has set up an Independent Committee (“IC”), comprising 3 Independent Directors of the Company to coordinate and oversee the investigation process of the case.

On 3 March 2015, the IC had finalised the appointment of the following professionals:-

- a) Messrs. Ranjit Singh & Yeoh as legal counsel to advise the IC on matters in relation to the investigation; and
- b) Ferrier Hodgson MH Sdn. Bhd. as Investigation Auditors to investigate on the remittance of fund to U.S.A. during the year of 2013 and potential related parties transactions.

On 27 May 2015, the Board updated that the targeted date of the availability of the Report has been extended from April 2015 to 30 June 2015.

As at the date of this announcement, the Investigation Auditors have yet to finalise their report findings. The Board will provide an update to the shareholders for any material development of the above matters.

Save as the above disclosure, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 31 March 2015.

A6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect in the current quarter under review and financial year-to-date result.

A7. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

A8. DIVIDEND PAID

No dividend was paid during the current quarter ended 31 March 2015.

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

A10. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review except as per announcement dated 31 December 2014 on the voluntary winding-up of its wholly-owned subsidiary, I.P.G. Metal Industry (M) Sdn. Bhd. (“IPG”) pursuant to Section 254(1)(b) of the Companies Act, 1965.

A11. SEGMENTAL INFORMATION

The segmental information of the group are presented by geographical and by products segments.

A) The geographical segments are based on the location of the assets and these are:

- (i) Malaysia
- (ii) Singapore
- (iii) Hong Kong and China

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Year to Date – 31 March 2015					
Segment revenue					
Sales to external customers	9,089	23,755	2,114	-	34,958
Inter-segment sales	25,906	2,343	6,728	(34,977)	-
Total	34,995	26,098	8,842	(34,977)	34,958
Segment revenue – current quarter	34,995	26,098	8,842	(34,977)	34,958
As at 31 March 2015					
Total assets	209,286	35,372	46,134	(137,058)	153,734
Total liabilities	91,974	29,576	5,359	(73,735)	53,174
Year to Date – 31 March 2014					
Segment revenue					
Sales to external customers	7,805	17,977	1,161	-	26,943
Inter-segment sales	14,579	-	4,875	(19,454)	-
Total	22,384	17,977	6,036	(19,454)	26,943
Segment revenue – current quarter	22,384	17,977	6,036	(19,454)	26,943
As at 31 March 2014					
Total assets	214,351	22,410	43,961	(120,245)	160,477
Total liabilities	101,030	17,766	8,012	(58,542)	68,266

A11. SEGMENTAL INFORMATION (CONTINUED)

B) The products segments based on HDD and Non-HDD products are as follows :

	Current Year Quarter 31.03.2015		Preceding Year Corresponding Quarter 31.03.2014	
	RM'000	Percentage	RM'000	Percentage
HDD	22,874	65%	15,874	59%
*Non-HDD	12,084	35%	11,069	41%
Total revenue	<u>34,958</u>	<u>100%</u>	<u>26,943</u>	<u>100%</u>

* included in the Non-HDD products are Sensor and Control, Medical Devices and Others.

C) Based on Geographical segment of Group, segment revenue based on the geographical location of customers.

	Current Year Quarter 31.03.2015	Current Year To Date 31.03.2015
Revenue		
Malaysia	7,963	7,963
Outside Malaysia	26,995	26,995
Total	<u>34,958</u>	<u>34,958</u>

A12. CONTINGENT LIABILITIES

As at 31 March 2015, the Group has no material contingent liabilities save for corporate guarantee of RM104 million issued by the Company in respect of banking facilities granted to the subsidiary companies.

A13. CAPITAL COMMITMENT

The group has no capital commitment as at 31 March 2015.

A14. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter under review.

B. Explanatory Notes Pursuant to Appendix 9B, Part A of the Bursa Securities Main Market Listing Requirements

B1. PERFORMANCE REVIEW

Current Year Quarter – 31 March 2015

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	34,995	26,098	8,842	(34,977)	34,958
EBDITA *	3,229	(371)	1,110	(428)	3,540
Depreciation	(1,963)	(20)	(824)	-	(2,807)
Profit/(Loss) from operation	1,266	(391)	286	(428)	733
Finance costs	(477)	(5)	(39)	-	(521)
P/(L)BT **	789	(396)	247	(428)	212

Preceding Year Quarter – 31 March 2014

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	22,384	17,977	6,036	(19,454)	26,943
EBDITA *	2,985	25	666	(211)	3,455
Depreciation	(2,710)	(18)	(594)	-	(3,322)
(Loss)/Profit from operation	275	7	72	(211)	133
Finance costs	(541)	(4)	(104)	-	(649)
(L)/PBT ***	(266)	3	(32)	(211)	(516)

* EBDITA - Earning Before Depreciation, Interest expenses, Tax and Amortisation

** P/(L)BT – Profit/(Loss) Before Tax

*** (L)/PBT – (Loss)/Profit Before Tax

The Group recorded profit before taxation (“PBT”) of RM0.21 million in the quarter under review (“Q1 2015”) as compared to loss before taxation (“LBT”) of RM0.52 million in the preceding year corresponding quarter (“Q1 2014”).

The reason contributing to the improvement in result for Q1 2015 vs Q1 2014 is mainly due to increase in revenue by RM8.02 million or 29.75%. However, the improvement in result has been reduced by RM1.32 million as allowance for doubtful debts and inventories written down of RM0.55 million during the quarter under review.

B2. COMPARISON WITH PRECEDING QUARTER’S RESULTS

The Group recorded revenue of RM34.96 million in the current quarter (“Q1 2015”) as compared to RM43.10 million in the previous quarter (“Q4 2014”), an decrease of RM8.14 million or 18.9%. The Group recorded a profit before taxation (“PBT”) of RM0.21 million for the quarter under review, as compared to previous quarter PBT of RM0.14 million.

The main reason contributing to the slight improvement in the result is due to depreciation of Ringgit Malaysia (“RM”) versus US Dollar (“USD”). However, this improvement is reduced by decrease in the revenue by RM8.14 million during the quarter under review as compared to the previous quarter.

B3. COMMENTARY ON PROSPECTS

In general, the global HDD industry is expected to remain flat in the coming quarters. However, our new product mix development with the HDD customers has resulted in the growth in this quarter and we expect the growth to continue for the coming quarters. Nevertheless, the Group also sees broaden and continuous growth from the Non-HDD sector particular in Sensor and Control.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast and profit guarantee was issued or announced for the period ended 31 March 2015.

B5. TAXATION

	Current Year Quarter 31.03.2015 RM'000	Current Year To date 31.03.2015 RM'000
Corporate tax income/(expense)		
Malaysia	151	151
Foreign	-	-
	<u>151</u>	<u>151</u>
Deferred tax income/(expense)		
Malaysia	184	184
	<u>335</u>	<u>335</u>

B6. CORPORATE PROPOSAL

Save as disclosed below, there is no any corporate proposals as at the date of this quarterly report:

On 16 July 2013, the Company raised RM11,094,074 via issuance of 55,470,370 new Ordinary Shares of RM0.50 each pursuant to the renounceable Two-Call Rights Issue exercise. As at 31 March 2015, the proceeds are utilized by the Group in the following manner:-

	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Timeframe for use
i	Purchase of plant and equipment	3,000	3,000	-	Within 2 years
ii	Working capital	7,586	6,000	1,586	Within 2 years
iii	Estimated share issue expenses	508	508	-	Within 6 months
	Total	<u>11,094</u>	<u>9,508</u>	<u>1,586</u>	

B7. BORROWINGS

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-term (Secured) RM'000	Long-term (Secured) RM'000
Hire purchase	3,660	5,052
Term Loans	2,920	8,539
Bankers' facilities	11,625	-
Bank overdraft	-	-
Total	18,205	13,591

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	31,010
US Dollar	-
China Renminbi	786
Total borrowings	31,796

B8. MATERIAL LITIGATION

As at the date of this announcement, there is no material litigation against the Group or vice-versa.

B9. DIVIDEND

No dividend has been declared for the current quarter ended 31 March 2015.

B10. EARNINGS PER SHARE

Basic

The basic earning per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2015	Preceding Corresponding Quarter 31.03.2014	Current Year To Date 31.03.2015	Preceding Corresponding Quarter 31.03.2014
Net profit/(loss) attributable to ordinary shareholders (RM '000)	547	(458)	547	(458)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	175,470	159,826	175,470	159,826
Basic earning per share (sen)	0.31	(0.29)	0.31	(0.29)

Diluted

The Group does not have any convertible shares or financial instruments for the current financial quarter and financial year to-date.

B11. PROFIT/(LOSS) BEFORE TAX

The following items have been included in arriving at profit/(loss) before tax:

	Current Year Quarter Individual Quarter 31.03.2015 RM'000	Preceding Year Corresponding Quarter 31.03.2014 RM'000	Current Year To date Cumulative Quarter 31.03.2015 RM'000	Preceding Year Corresponding Period 31.03.2014 RM'000
After charging:-				
Interest expense	495	649	495	649
Depreciation	2,807	3,322	2,807	3,322
Inventories written down	550	-	550	-
Allowance for doubtful debts	1,315	-	1,315	-
After Crediting:				
Gain on foreign exchange				
- Realised	1,967	1,379	1,967	1,379
- unrealised	220	-	220	-
Interest income	30	33	30	33

Save as disclosed above, the other items as required under appendix 9B, Part A(16) of the Bursa Securities Main Market Listing Requirements are not applicable.

B12. REALISED OR UNREALISED EARNINGS OR LOSSES DISCLOSURE

The retained earnings as at 31 March 2015 and 31 December 2014 respectively are analysed as follows:

	31.03.2015 RM'000	31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	36,693	35,905
- Unrealised	3,803	3,881
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	40,496	39,786
Less: Consolidation adjustments	(7,191)	(7,028)
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	33,305	32,758
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