

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE 3<sup>RD</sup> QUARTER ENDED 30 SEPTEMBER 2014**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter <b>30.09.2014</b> <b>RM'000</b>	Preceding Year Corresponding Quarter <b>30.09.2013</b> <b>RM'000</b>	Current Year To date <b>30.09.2014</b> <b>RM'000</b>	Preceding Year Corresponding Period <b>30.09.2013</b> <b>RM'000</b>
Revenue	34,792	25,033	92,907	78,413
Cost of Sales	(29,190)	(23,480)	(80,833)	(67,284)
Gross profit	5,602	1,553	12,074	11,129
Other operating income	6,026	709	8,697	2,046
General & administrative expenses	(3,931)	(3,544)	(12,047)	(11,670)
Profit from operations	7,697	(1,282)	8,724	1,505
Finance costs	(323)	(698)	(1,648)	(2,188)
Profit/(Loss) before tax	7,374	(1,980)	7,076	(683)
Tax expense	(122)	(114)	(83)	(359)
Net profit/(loss) for the period	7,252	(2,094)	6,993	(1,042)
Other Comprehensive income, net of tax				
Exchange gain on translation of net investment in foreign subsidiary companies	344	1,008	900	1,264
Total Comprehensive income for the period	7,596	(3,102)	7,893	222
Gross profit margin (%)	16.10	6.20	12.99	14.19
Profit after tax margin (%)	20.84	(8.36)	7.53	(1.33)
Weighted average number of shares ('000)	175,470	135,408	175,470	135,408
Earnings per ordinary share (sen)				
- Basic	4.13	(1.55)	3.99	(0.77)
- Diluted	4.13	(1.55)	3.99	(0.77)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF  
30 SEPTEMBER 2014**

	<b>As at 30.09.2014 RM'000</b>	<b>As at 31.12.2013 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	66,517	89,549
Deferred tax assets	210	227
Investment in club memberships, at cost	61	61
Financial assets designated at fair value	-	320
<b>Total Non-Current Assets</b>	<b>66,788</b>	<b>90,157</b>
<b>CURRENT ASSETS</b>		
Inventories	28,782	27,111
Trade receivables	28,250	29,329
Other receivables and prepaid expenses	1,220	2,490
Tax recoverable	123	48
Cash and bank balances	16,819	13,658
<b>Total Current Assets</b>	<b>75,194</b>	<b>72,636</b>
<b>TOTAL ASSETS</b>	<b>141,982</b>	<b>162,793</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share capital	87,735	87,735
Reserves	11,868	3,975
<b>Shareholders' Equity</b>	<b>99,603</b>	<b>91,710</b>
<b>NON-CURRENT LIABILITIES</b>		
Term loans	8,210	23,378
Hire-purchase payables	4,336	5,851
Deferred tax liabilities	-	106
<b>Total Non-Current and Deferred Liabilities</b>	<b>12,546</b>	<b>29,335</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	6,428	9,634
Other payables and accrued expenses	407	7,567
Term loans	4,879	4,879
Hire-purchase payables	3,040	3,040
Other bank borrowings	15,079	16,628
<b>Total Current Liabilities</b>	<b>29,833</b>	<b>41,748</b>
<b>Total Liabilities</b>	<b>42,379</b>	<b>71,083</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>141,982</b>	<b>162,793</b>
Net assets per ordinary share (RM)	0.568	0.523

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 3<sup>RD</sup> QUARTER ENDED 30 SEPTEMBER 2014**

	Share Capital <b>RM'000</b>	Other Reserves <b>RM'000</b>	Retained Profits <b>RM'000</b>	Total <b>RM'000</b>
Balance as of 1 January 2014	87,735	(22,520)	26,495	91,710
Total Comprehensive Income for the period	-	900	6,993	7,893
As at 30 September 2014	<u>87,735</u>	<u>(21,620)</u>	<u>33,488</u>	<u>99,603</u>

	Share Capital <b>RM'000</b>	Other Reserves <b>RM'000</b>	Retained Profits <b>RM'000</b>	Total <b>RM'000</b>
Balance as of 1 January 2013	60,000	(25,712)	49,182	83,470
Total Comprehensive Income for the year	-	3,192	(5,538)	(2,346)
Right Shares Issued	27,735	-	(16,641)	11,094
Share issue expenses	-	-	(508)	(508)
As at 31 December 2013	<u>87,735</u>	<u>(22,520)</u>	<u>26,495</u>	<u>91,710</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 2013 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2014**

	<b>Current Year To-date 30.09.2014 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	7,076	(5,409)
Adjustments for:		
Inventories written down	-	392
Depreciation of property, plant and equipment	8,572	12,980
Interest expenses	1,648	2,559
Gain on disposal of Subsidiary company	(6,237)	-
Loss on disposal of property, plant and equipment	227	84
Impairment loss on property, plant and equipment	-	343
Property, plant and equipment written off	-	37
Interest income	(74)	(71)
Unrealised loss/(gain) on foreign exchange	(220)	1,448
Operating profit before working capital changes	10,992	12,363
Changes in working capital		
Net change in current assets	898	(159)
Net change in current liabilities	(10,366)	(3,348)
Cash generated from operations	1,524	8,856
Tax paid	(75)	(387)
Tax Refund	-	361
Net cash generated from operating activities	1,449	8,830
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	45	138
Interest received	74	71
Proceed on disposal of Subsidiary company net of cash	5,132	-
Proceeds from disposal of other investment	320	-
Purchase of other investment	-	(9)
Purchase of property, plant and equipment	(4,999)	(3,451)
Net cash generated from/ (used in) investing activities	572	(3,251)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire-purchase	(2,543)	(4,156)
Repayment of term loans	(3,886)	(5,258)
Net proceeds from shares issued pursuant to right issue	-	10,586
Repayment of amount owing to holding company	8,193	-
Proceed from finance lease	1,028	2,410
Increase/(Decrease) in other bank borrowings	(536)	(562)
Interest paid	(1,648)	(2,559)
Net cash generated from financing activities	608	461

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2014 (CONTINUED)**

	<b>Current Year To-date 30.09.2014 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2013 RM'000</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,629	6,040
Effects of foreign exchange rate changes	1,545	1,861
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	10,156	2,255
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	14,330	10,156
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	16,819	13,658
BANK OVERDRAFT	(2,489)	(3,502)
	14,330	10,156

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 2013.

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 2013.

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 2013.

### **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**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year-to-date.

**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 30 September 2014.

**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 20 August 2014 as below.

The Company has on 10 June 2014 entered into a Share Sale Agreement with Hektar Haruman Sdn. Bhd. to dispose of its entire equity interest of Three Million (3,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each constituting the entire issued and fully paid up share capital Dufu Dyna-Edge Sdn. Bhd. for a Disposal Consideration of Ringgit Malaysia Six Million Fourteen Thousand (RM6,014,000-00) only [“the Disposal”]. The Disposal had been completed on 20 August 2014.

**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

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Year to Date – 30 September 2014</b>					
Segment revenue					
Sales to external customers	25,624	61,483	5,800	-	92,907
Inter-segment sales	52,434	3,994	14,818	(71,246)	-
<b>Total</b>	<b>78,058</b>	<b>65,477</b>	<b>20,618</b>	<b>(71,246)</b>	<b>92,907</b>
<b>Segment revenue – current quarter</b>	<b>30,769</b>	<b>27,711</b>	<b>7,953</b>	<b>(31,641)</b>	<b>34,792</b>
<b>As at 30 September 2014</b>					
Total assets	190,800	30,342	44,643	(123,803)	141,982
Total liabilities	74,806	25,693	8,010	(66,130)	42,379
<b>Year to Date – 30 September 2013</b>					
Segment revenue					
Sales to external customers	20,193	54,033	4,187	-	78,413
Inter-segment sales	38,409	1,944	10,878	(51,231)	-
<b>Total</b>	<b>58,602</b>	<b>55,977</b>	<b>15,065</b>	<b>(51,231)</b>	<b>78,413</b>
<b>Segment revenue – current quarter</b>	<b>18,178</b>	<b>17,819</b>	<b>5,149</b>	<b>(16,113)</b>	<b>25,033</b>
<b>As at 30 September 2013</b>					
Total assets	216,755	20,360	37,563	(115,515)	159,163
Total liabilities	100,302	15,452	3,303	(54,172)	64,885



**A11. SEGMENTAL INFORMATION (CONTINUED)**

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

	<b>Current Year Quarter 30.09.2014</b>		<b>Preceding Year Corresponding Quarter 30.09.2013</b>	
	<b>RM'000</b>	<b>Percentage</b>	<b>RM'000</b>	<b>Percentage</b>
HDD	21,745	63%	15,805	63%
*Non-HDD	13,047	37%	9,228	37%
Total revenue	<u>34,792</u>	<u>100%</u>	<u>25,033</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.

	<b>Current Quarter 30.09.2014</b>	<b>Current Year To Date 30.09.2014</b>
<b>Revenue</b>		
Malaysia	8,410	22,379
Outside Malaysia	26,382	70,528
Total	<u>34,792</u>	<u>92,907</u>

**A12. CONTINGENT LIABILITIES**

As at 30 September 2014, the Group has no material contingent liabilities save for corporate guarantee of RM102 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 30 September 2014.

**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 Quarter – 30 September 2014**

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
Revenue	30,769	27,711	7,953	(31,641)	34,792
EBDITA *	5,327	(483)	844	4,519	10,207
Depreciation	(1,768)	(20)	(722)	-	(2,510)
Profit/(Loss) from operation	3,559	(503)	122	4,519	7,697
Finance costs	(260)	(4)	(59)	-	(323)
P/(L)BT **	3,299	(507)	63	4,519	7,374

**Preceding Year Quarter – 30 September 2013**

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Hong Kong and China RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
Revenue	18,178	17,819	5,149	(16,113)	25,033
EBDITA *	1,559	(212)	245	442	2,034
Depreciation	(2,297)	(17)	(1,002)	-	(3,316)
(Loss)/Profit from operation	(738)	(229)	(757)	442	(1,282)
Finance costs	(504)	(6)	(188)	-	(698)
LBT ***	(1,242)	(235)	(945)	442	(1,980)

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

\*\* P/(L)BT – Profit/(Loss) Before Tax

\*\*\* LBT – Loss Before Tax

The Group recorded profit before taxation (“PBT”) of RM7.37 million in the quarter under review (“Q3 2014”) as compared to LBT of RM1.98 million in the preceding year corresponding quarter (“Q3 2013”).

The following are the reasons contributing to the improvement in result for Q3 2014 vs Q3 2013 :

1. One-off gain on disposal of subsidiary company amounted to RM6.24 million,
2. Increase in revenue by RM9.76 million or 39%.

**B2. COMPARISON WITH PRECEDING QUARTER’S RESULTS**

The Group recorded revenue of RM34.79 million in the current quarter (“Q3 2014”) as compared to RM31.17 million in the previous quarter (“Q2 2014”), an increase of RM3.62 million or 11.6%. The Group recorded a profit before taxation (“PBT”) of RM7.37 million (PBT from operation of RM1.13 million and an one-off gain on disposal of subsidiary company amounted to RM6.24 million) for the quarter under review, as compared to previous quarter profit before taxation (“PBT”) of RM0.2 million. The better performance in PBT from operation is in tandem with the increase in revenue from all segments.

**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 continuous growth from the Non-HDD sector such as Sensor and Control and Medical Devices.

**B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE**

No profit forecast and profit guarantee was issued or announced for the period ended 30 September 2014.

**B5. TAXATION**

	<b>Current Quarter 30.09.2014 RM’000</b>	<b>Current Year To date 30.09.2014 RM’000</b>
Corporate tax income/(expense)		
Malaysia	2	(117)
Foreign	0	0
	<hr/> 2	<hr/> (117)
Deferred tax income/(expense)		
Malaysia	(124)	34
	<hr/> (122)	<hr/> (83)

**B6. CORPORATE PROPOSAL**

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

- a) 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 30 September 2014, the proceeds are utilized by the Group in the following manner:-

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Timeframe for use</b>
i Purchase of plant and equipment	3,000	1,838	1,162	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
<b>Total</b>	<b>11,094</b>	<b>8,346</b>	<b>2,748</b>	

The Company has on 10 June 2014 entered into a Share Sale Agreement with Hektar Haruman Sdn. Bhd. to dispose of its entire equity interest of Three Million (3,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each constituting the entire issued and fully paid up share capital Dufu Dyna-Edge Sdn. Bhd. for a Disposal Consideration of Ringgit Malaysia Six Million Fourteen Thousand (RM6,014,000-00) only [“the Disposal”]. The Disposal had been completed on 20 August 2014.

**B7. BORROWINGS**

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

	<b>Short-term (Secured) RM'000</b>	<b>Long-term (Secured) RM'000</b>
Hire purchase	3,040	4,336
Term Loans	4,879	8,210
Bankers’ facilities	12,590	-
Bank overdraft	2,489	-
<b>Total</b>	<b>22,998</b>	<b>12,546</b>

The Group borrowings are dominated in the following currencies:

	<b>RM'000</b>
Ringgit Malaysia	31,445
US Dollar	-
Hong Kong Dollar	4,099
<b>Total borrowings</b>	<b>35,544</b>

**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 30 September 2014.

**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 Quarter 30.09.2014	Preceding Corresponding Quarter 30.09.2013	Current Year To Date 30.09.2014	Preceding Corresponding Quarter 30.09.2013
Net profit/(loss) attributable to ordinary shareholders (RM '000)	7,252	(2,094)	6,993	(1,942)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	175,470	135,408	175,470	135,408
Basic earning per share (sen)	4.13	(1.55)	3.99	(0.77)

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 <b>Individual Quarter</b> <b>30.09.2014</b> <b>RM'000</b>	Preceding Year Corresponding Quarter <b>30.09.2013</b> <b>RM'000</b>	Current Year To date <b>Cumulative Quarter</b> <b>30.09.2014</b> <b>RM'000</b>	Preceding Year Corresponding Period <b>30.09.2013</b> <b>RM'000</b>
<b>After charging:-</b>				
Interest expense	323	698	1,648	2,188
Depreciation	2,510	3,316	8,572	10,452
Loss on disposal of property, plant and equipment	-	-	227	-
Loss on foreign exchange				
-Realised	67	181	301	181
-unrealised	282	-	282	-
<b>After Crediting:</b>				
Gain on disposal of subsidiary company	6,237	-	6,237	-
Gain on foreign exchange				
- Realised	-	61	1,379	132
- unrealised	-	-	502	-
Interest income	26	21	74	29

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 30 September 2014 and 31 December 2013 respectively are analysed as follows:

	<b>30.09.2014</b> <b>RM'000</b>	<b>31.12.2013</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	39,917	30,851
- Unrealised	(785)	1,470
	<hr/>	<hr/>
	39,132	32,321
Less: Consolidation adjustments	(5,644)	(5,827)
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	<b>33,488</b>	<b>26,494</b>