

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE 4TH QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year To date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
Revenue	42,761	25,782	135,668	104,195
Cost of Sales	(41,305)	(25,231)	(122,138)	(92,515)
Gross profit	1,456	551	13,530	11,680
Other operating income	3,878	841	12,575	2,887
General & administrative expenses	(4,886)	(5,744)	(16,933)	(17,414)
Profit from operations	448	(4,352)	9,172	(2,847)
Finance costs	(645)	(374)	(2,293)	(2,562)
Profit/(Loss) before tax	(197)	(4,726)	6,879	(5,409)
Tax expense	(857)	229	(940)	(130)
Net profit/(loss) for the period	(1,054)	(4,497)	5,939	(5,539)
Other Comprehensive income, net of tax				
Exchange gain on translation of net investment in foreign subsidiary companies	1,105	943	2,005	3,193
Total Comprehensive income for the period	51	(3,554)	7,944	(2,346)
Gross profit margin (%)	3.40	2.14	9.97	11.08
Profit after tax margin (%)	(2.50)	(17.44)	4.38	(5.26)
Weighted average number of shares ('000)	175,470	146,417	175,470	146,417
Earnings per ordinary share (sen)				
- Basic	(0.60)	(3.07)	3.38	(3.78)
- Diluted	(0.60)	(3.07)	3.38	(3.78)

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
31 DECEMBER 2014**

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	70,040	89,549
Deferred tax assets	440	227
Investment in club memberships, at cost	61	61
Financial assets designated at fair value	-	320
Total Non-Current Assets	70,541	90,157
CURRENT ASSETS		
Inventories	30,048	27,111
Trade receivables	37,944	29,329
Other receivables and prepaid expenses	2,120	2,490
Tax recoverable	42	48
Cash and bank balances	14,840	13,658
Total Current Assets	84,994	72,636
TOTAL ASSETS	155,535	162,793
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	87,735	87,735
Reserves	11,919	3,975
Shareholders' Equity	99,654	91,710
NON-CURRENT LIABILITIES		
Term loans	9,362	23,378
Hire-purchase payables	6,465	5,851
Deferred tax liabilities	-	106
Total Non-Current and Deferred Liabilities	15,827	29,335
CURRENT LIABILITIES		
Trade payables	16,998	9,634
Other payables and accrued expenses	208	7,567
Term loans	2,920	4,879
Hire-purchase payables	3,773	3,040
Other bank borrowings	15,331	16,628
Tax payable	824	-
Total Current Liabilities	40,054	41,748
Total Liabilities	55,881	71,083
TOTAL EQUITY AND LIABILITIES	155,535	162,793
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 4TH QUARTER ENDED 3Q DECEMBER 2014**

	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 period	-	2,005	5,939	7,944
As at 31 December 2014	<u>87,735</u>	<u>(20,515)</u>	<u>32,434</u>	<u>99,654</u>

	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000
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 31 DECEMBER 2014**

	Current Year To-date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	6,879	(5,409)
Adjustments for:		
Inventories written down	4,242	392
Depreciation of property, plant and equipment	12,790	12,980
Interest expenses	2,293	2,559
Gain on disposal of Subsidiary company	(6,933)	-
(Gain)/Loss on disposal of property, plant and equipment	(74)	84
Impairment loss on property, plant and equipment	-	343
Property, plant and equipment written off	2	37
Interest income	(134)	(71)
Unrealised loss/(gain) on foreign exchange	(1,085)	1,448
Operating profit before working capital changes	17,980	12,363
Changes in working capital		
Net change in current assets	(12,949)	(159)
Net change in current liabilities	7,480	(3,348)
Cash generated from operations	12,511	8,856
Tax paid	(534)	(387)
Tax Refund	165	361
Net cash generated from operating activities	12,142	8,830
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	396	138
Interest received	134	71
Proceed on disposal of Subsidiary company net of cash	5,564	-
Proceeds from disposal of other investment	320	-
Purchase of other investment	-	(9)
Purchase of property, plant and equipment	(7,418)	(3,451)
Net cash generated used in investing activities	(1,004)	(3,251)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire-purchase	(3,455)	(4,156)
Repayment of term loans	(4,693)	(5,258)
Net proceeds from shares issued pursuant to right issue	-	10,586
Repayment of amount owing to holding company	-	-
Proceed from finance lease	1,028	2,410
Increase/(Decrease) in other bank borrowings	771	(562)
Interest paid	(2,293)	(2,559)
Net cash (used in)/generated from financing activities	(8,642)	461

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 DECEMBER 2014 (CONTINUED)**

	Current Year To-date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,496	6,040
Effects of foreign exchange rate changes	1,483	1,861
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	10,156	2,255
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	14,135	10,156
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	14,840	13,658
BANK OVERDRAFT	(705)	(3,502)
	14,135	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

As at 31 December 2014, the accounts of the Group recorded inventories which included medical products carried forward from the financial year ended 31 December 2013 acquired at the costs of approximately RM2.12 million. The said inventories were purchased in 2013 for medical products project which are related to the announcement dated 11 February 2015 on an allegation made against certain senior management of the Group on misappropriation of the Company's fund of approximately RM 3.9 million which requires inter-alia investigation on the authenticity of the said inventories.

The Board has set up an Independent Committee to oversee the investigation of the said allegation and to appoint an Investigation Auditors to investigate on this matter. Pending the outcome of the investigation, the Board is unable to ascertain the factuality of such allegation and its financial impact. In abundance of prudence, the Board has resolved to write down the entire cost of the said inventories of approximately RM2.12 million to NIL as at 31 December 2014.

Save as disclosed below, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and year ended 31 December 2014.

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 December 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 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 December 2014					
Segment revenue					
Sales to external customers	34,079	93,810	7,779	-	135,668
Inter-segment sales	79,993	7,332	23,121	(110,446)	-
Total	114,072	101,142	30,900	(110,446)	135,668
Segment revenue – current quarter	36,014	35,665	10,282	(39,200)	42,761
As at 31 December 2014					
Total assets	207,310	41,443	46,490	(139,708)	155,535
Total liabilities	105,814	34,667	8,023	(92,623)	55,881
Year to Date – 31 December 2013					
Segment revenue					
Sales to external customers	27,765	70,348	6,082	-	104,195
Inter-segment sales	52,210	3,568	15,616	(71,394)	-
Total	79,975	73,916	21,698	(71,394)	104,195
Segment revenue – current quarter	21,373	16,759	6,633	(18,983)	25,782
As at 31 December 2013					
Total assets	216,925	21,715	44,428	(120,275)	162,793
Total liabilities	103,339	17,108	8,642	(58,006)	71,083

A11. SEGMENTAL INFORMATION (CONTINUED)

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

	Current Year Quarter 31.12.2014		Preceding Year Corresponding Quarter 31.12.2013	
	RM'000	Percentage	RM'000	Percentage
HDD	30,592	71%	18,071	70%
*Non-HDD	12,169	29%	7,711	30%
Total revenue	<u>42,761</u>	<u>100%</u>	<u>25,782</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 Quarter 31.12.2014	Current Year To Date 31.12.2014
Revenue		
Malaysia	4,636	27,015
Outside Malaysia	38,125	108,653
Total	<u>42,761</u>	<u>135,668</u>

A12. CONTINGENT LIABILITIES

As at 31 December 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 31 December 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 – 31 December 2014

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	36,014	35,665	10,282	(39,200)	42,761
EBDITA *	3,813	2,059	1,526	(2,732)	4,666
Depreciation	(3,336)	(15)	(867)	-	(4,218)
Profit/(Loss) from operation	477	2,044	659	(2,732)	448
Finance costs	(588)	(4)	(53)	-	(645)
P/(L)BT **	(111)	2,040	606	(2,732)	(197)

Preceding Year Quarter – 31 December 2013

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	21,373	16,759	6,633	(18,983)	25,782
EBDITA *	(656)	114	(672)	(611)	(1,825)
Depreciation	(2,430)	(30)	(67)	-	(2,527)
(Loss)/Profit from operation	(3,086)	84	(739)	(611)	(4,352)
Finance costs	(476)	13	89	-	(274)
LBT ***	(3,562)	97	(650)	(611)	(4,726)

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

** P/(L)BT – Profit/(Loss) Before Tax

*** LBT – Loss Before Tax

The Group recorded loss before taxation (“LBT”) of RM0.20 million in the quarter under review (“Q4 2014”) as compared to LBT of RM4.73 million in the preceding year corresponding quarter (“Q4 2013”).

The reason contributing to the improvement in result for Q4 2014 vs Q4 2013 mainly due to increase in revenue by RM16.98 million or 65.8%. However, the improvement in result been reduce by RM 4.12 million as inventories written down in which contributed by written down of inventories amounted to RM2.12 million from operation and RM2.12 million from unusual item as disclosed in Note A5 respectively during the quarter under review.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded revenue of RM42.76 million in the current quarter ("Q4 2014") as compared to RM34.79 million in the previous quarter ("Q3 2014"), an increase of RM7.97 million or 22.9%. The Group recorded a loss before taxation ("LBT") of RM0.20 million for the quarter under review, as compared to previous quarter profit before taxation ("PBT") of RM7.37 million.

The following are the reason reasons contribute to decrease in result in Q4 2014 Vs Q3 2014:

- a) An inventories written down amounted to RM 4.24 million in Q4 2014 in which contributed by written down of inventories from operation amounted to RM2.12 million and written down of inventories from unusual item as disclosed in Note A5 amounted to RM2.12 million respectively.
- b) One off gain on disposal of subsidiary recorded in Q3 2014 amounted to RM6.24 million (Gross gain of RM6.93 million net of Real Property Gain Tax and expenses of RM0.69 million).

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.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast and profit guarantee was issued or announced for the period ended 31 December 2014.

B5. TAXATION

	Current Quarter 31.12.2014 RM'000	Current Year To date 31.12.2014 RM'000
Corporate tax income/(expense)		
Malaysia	(580)	(697)
Foreign	(501)	(501)
	(1,081)	(1,198)
Deferred tax income/(expense)		
Malaysia	224	258
	(857)	(940)

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 December 2014, 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	3,773	6,465
Term Loans	2,920	9,362
Bankers' facilities	14,626	-
Bank overdraft	705	-
Total	<u>22,024</u>	<u>15,827</u>

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	36,371
US Dollar	-
Hong Kong Dollar	1,480
Total borrowings	<u>37,851</u>

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 December 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 31.12.2014	Preceding Corresponding Quarter 31.12.2013	Current Year To Date 31.12.2014	Preceding Corresponding Quarter 31.12.2013
Net profit/(loss) attributable to ordinary shareholders (RM '000)	(1.054)	(4,497)	5,939	(5,539)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	175,470	146,417	175,470	146,417
Basic earning per share (sen)	(0.60)	(3.07)	3.38	(3.78)

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 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year To date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
	Individual Quarter		Cumulative Quarter	
After charging:-				
Interest expense	645	374	2,293	2,562
Depreciation	4,218	2,528	12,790	12,980
Inventories written down	4,242	392	4,242	392
Property, plant and equipment written off	2	36	2	36
Impairment loss on property plant and equipment	-	343	-	343
Loss on disposal of property, plant and equipment	-	84	-	84
Loss on foreign exchange				
-Realised	-	-	301	-
-unrealised	-	1,561	282	1,561
After Crediting:				
Gain on disposal of subsidiary company	-	-	6,933	-
Gain on disposal of property, plant and equipment	74	-	74	-
Gain on foreign exchange				
-Realised	-	-	1,379	132
-unrealised	865	-	1,367	-
Interest income	60	42	134	71

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

	31.12.2014 RM'000	31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	35,565	30,851
- Unrealised	3,881	1,470
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	39,446	32,321
Less: Consolidation adjustments	(7,012)	(5,827)
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	<u>32,434</u>	<u>26,494</u>