

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE 2nd QUARTER ENDED 30 JUNE 2015**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000	Current Year To date 30.06.2015 RM'000	Preceding Year Corresponding Period 30.06.2014 RM'000
Revenue	39,752	31,172	74,710	58,115
Cost of Sales	(32,844)	(27,038)	(64,246)	(51,643)
Gross profit	6,908	4,134	10,464	6,472
Other operating income	1,716	829	4,414	2,671
General & administrative expenses	(5,517)	(4,069)	(11,038)	(8,116)
Profit from operations	3,107	894	3,840	1,027
Finance costs	(279)	(676)	(800)	(1,325)
Profit/(Loss) before tax	2,828	218	3,040	(298)
Tax (expense)/income	(220)	(19)	115	39
Net profit/(loss) for the period	2,608	199	3,155	(259)
Other Comprehensive income, net of tax				
Exchange gain/(loss) on translation of net investment in foreign subsidiary companies	760	(403)	245	556
Total Comprehensive income for the period	3,368	(204)	3,400	297
Gross profit margin (%)	17.38	13.26	14.01	11.14
Profit after tax margin (%)	6.56	0.64	4.22	(0.45)
Weighted average number of shares ('000)	175,470	175,470	175,470	175,470
Earnings per ordinary share (sen)				
- Basic	1.49	0.11	1.80	(0.15)
- Diluted	1.49	0.11	1.80	(0.15)

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
30 JUNE 2015**

	As at 30.06.2015 RM'000	As at 31.12.2014 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	66,494	70,040
Deferred tax assets	625	444
Investment in club memberships, at cost	61	61
Total Non-Current Assets	<u>67,180</u>	<u>70,545</u>
CURRENT ASSETS		
Inventories	27,204	30,028
Trade receivables	36,004	44,027
Other receivables and prepaid expenses	2,592	5,505
Tax recoverable	-	42
Cash and bank balances	16,683	14,840
Total Current Assets	<u>82,483</u>	<u>94,442</u>
TOTAL ASSETS	<u>149,663</u>	<u>164,987</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	87,735	87,735
Reserves	15,643	12,243
Shareholders' Equity	<u>103,378</u>	<u>99,978</u>
NON-CURRENT LIABILITIES		
Term loans	7,705	9,362
Hire-purchase payables	4,858	6,465
Total Non-Current and Deferred Liabilities	<u>12,563</u>	<u>15,827</u>
CURRENT LIABILITIES		
Trade payables	21,616	16,905
Other payables and accrued expenses	1,832	9,412
Term loans	2,920	2,920
Hire-purchase payables	3,967	3,773
Other bank borrowings	3,339	15,331
Tax payable	48	841
Total Current Liabilities	<u>33,722</u>	<u>49,182</u>
Total Liabilities	<u>46,285</u>	<u>65,009</u>
TOTAL EQUITY AND LIABILITIES	<u>149,663</u>	<u>164,987</u>
Net assets per ordinary share (RM)	0.589	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 2nd QUARTER ENDED 30 JUNE 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	-	245	3,155	3,400
As at 30 June 2015	<u>87,735</u>	<u>(20,270)</u>	<u>35,913</u>	<u>103,378</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 30 JUNE 2015**

	Current Year To-date 30.06.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,040	7,216
Adjustments for:		
Inventories written down	550	4,242
Depreciation of property, plant and equipment	5,985	12,790
Allowance for doubtful debts	1,315	-
Interest expenses	745	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	(50)	(134)
Unrealised gain/(loss) on foreign exchange	30	(1,367)
Operating profit before working capital changes	11,615	17,746
Changes in working capital		
Net change in current assets	13,510	(21,826)
Net change in current liabilities	(2,869)	16,590
Cash generated from operations	22,256	12,510
Tax paid	(751)	(372)
Tax Refund	-	4
Net cash generated from operating activities	21,505	12,142
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	390
Interest received	50	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	(4,739)	(7,413)
Net cash used in investing activities	(4,689)	(1,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire-purchase	(3,713)	(2,427)
Repayment of term loans	(1,657)	(4,693)
Proceed from Hire Purchase	2,300	-
(Decrease)/Increase in other bank borrowings	(11,287)	771
Interest paid	(751)	(2,293)
Net cash used in financing activities	(15,108)	(8,642)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 30 JUNE 2015 (CONTINUED)**

	Current Year To-date 30.06.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,708	2,496
Effects of foreign exchange rate changes	840	1,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	14,135	10,156
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<u>16,683</u>	<u>14,135</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	16,683	14,840
BANK OVERDRAFT	-	(705)
	<u>16,683</u>	<u>14,135</u>

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

On 31 July 2015, further to the announcement dated 11 February 2015, 3 March 2015, 7 March 2015, 27 May 2015, 29 June 2015, 7 July 2015, and 16 July 2015, the Board has made an announcement on the course of action to be taken by the Board arising from the Investigation Report.

Save as disclosed above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter ended 30 June 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 30 June 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 – 30 June 2015					
Segment revenue					
Sales to external customers	17,584	52,700	4,426	-	74,710
Inter-segment sales	49,019	8,178	13,197	(70,394)	-
Total	66,603	60,878	17,623	(70,394)	74,710
Segment revenue – current quarter	31,608	34,780	8,781	(35,417)	39,752
As at 30 June 2015					
Total assets	208,244	34,486	46,750	(139,817)	149,663
Total liabilities	91,525	26,462	5,662	(77,364)	46,285
Year to Date – 30 June 2014					
Segment revenue					
Sales to external customers	16,200	37,766	4,149	-	58,115
Inter-segment sales	31,089	-	8,516	(39,605)	-
Total	47,289	37,766	12,665	(39,605)	58,115
Segment revenue – current quarter	24,905	19,789	6,629	(20,151)	31,172
As at 30 June 2014					
Total assets	218,587	23,300	43,601	(125,961)	159,527
Total liabilities	105,923	18,394	7,153	(63,950)	67,520

A11. SEGMENTAL INFORMATION (CONTINUED)

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

	Current Year Quarter 30.06.2015		Preceding Year Corresponding Quarter 30.06.2014	
	RM'000	Percentage	RM'000	Percentage
HDD	28,183	71%	19,067	61%
*Non-HDD	11,569	29%	12,105	39%
Total revenue	<u>39,752</u>	<u>100%</u>	<u>31,172</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 30.06.2015	Current Year To Date 30.06.2015
Revenue		
Malaysia	8,100	16,063
Outside Malaysia	31,652	58,647
Total	<u>39,752</u>	<u>74,710</u>

A12. CONTINGENT LIABILITIES

As at 30 June 2015, the Group has no material contingent liabilities save for corporate guarantee of RM106 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 June 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 – 30 June 2015

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	31,608	34,780	8,781	(35,417)	39,752
EBDITA *	3,051	1,856	1,373	5	6,285
Depreciation	(2,380)	(20)	(778)	-	(3,178)
Profit from operation	671	1,836	595	5	3,107
Finance costs	(201)	(5)	(73)	-	(279)
PBT **	470	1,831	522	5	2,828

Preceding Year Quarter – 30 June 2014

	Malaysia RM'000	Singapore RM'000	Hong Kong and China RM'000	Eliminations RM'000	Total RM'000
Revenue	24,905	19,789	6,629	(20,151)	31,172
EBDITA *	2,067	437	1,252	(112)	3,634
Depreciation	(2,074)	(20)	(646)	-	(2,740)
(Loss)/Profit from operation	(7)	407	606	(112)	894
Finance costs	(573)	(4)	(99)	-	(676)
(L)/PBT ***	(580)	403	507	(112)	218

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

** PBT – Profit Before Tax

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

The Group recorded profit before taxation (“PBT”) of RM2.83 million in the quarter under review (“Q2 2015”) as compared to PBT of RM0.22 million in the preceding year corresponding quarter (“Q2 2014”).

The reason contributing to the improvement in result for Q2 2015 vs Q2 2014 is mainly due to increase in revenue by RM8.58 million or 27.52% and depreciation of Ringgit Malaysia (“RM”) versus US Dollar (“USD”) during the quarter under review.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded revenue of RM39.75 million in the current quarter ("Q2 2015") as compared to RM34.96 million in the previous quarter ("Q1 2015"), an increase of RM4.79 million or 13.70%. The Group recorded a profit before taxation ("PBT") of RM2.83 million for the quarter under review, as compared to previous quarter PBT of RM0.21 million.

The main reason contributing to the improvement in the result is due to depreciation of Ringgit Malaysia ("RM") versus US Dollar ("USD") during the quarter under review.

B3. COMMENTARY ON PROSPECTS

In general, the global HDD industry is expected to contract in the coming quarters due to the weak global economics. However, our new product mix development with the HDD customers is expected to sustain our HDD businesses which will to a certain extent mitigate the expected contraction.

B4. VARIANCES FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast and profit guarantee was issued or announced for the period ended 30 June 2015.

B5. TAXATION

	Current Year Quarter 30.06.2015 RM'000	Current Year To date 30.06.2015 RM'000
Corporate tax income/(expense)		
Malaysia	(297)	(146)
Foreign	-	-
	<u>(297)</u>	<u>(146)</u>
Deferred tax income/(expense)		
Malaysia	77	261
	<u>(220)</u>	<u>115</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 30 June 2015, the proceed was been fully 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	7,586	-	Within 2 years
iii Estimated share issue expenses	508	508	-	Within 6 months
Total	<u>11,094</u>	<u>11,094</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	3,967	4,858
Term Loans	2,920	7,705
Bankers' facilities	3,339	-
Bank overdraft	-	-
Total	<u>10,226</u>	<u>12,563</u>

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	22,003
US Dollar	-
China Renminbi	786
Total borrowings	<u>22,789</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 30 June 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 30.06.2015	Preceding Corresponding Quarter 30.06.2014	Current Year To Date 30.06.2015	Preceding Corresponding Quarter 30.06.2014
Net profit/(loss) attributable to ordinary shareholders (RM '000)	2,608	199	3,155	(259)
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	175,470	175,470	175,470	175,470
Basic earning per share (sen)	1.49	0.11	1.80	(0.15)

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 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000	Current Year To date Cumulative Quarter 30.06.2015 RM'000	Preceding Year Corresponding Period 30.06.2014 RM'000
After charging:-				
Interest expense	250	676	745	1,325
Depreciation	3,178	2,740	5,985	6,062
Loss on disposal of property, plant and equipment	-	227	-	227
Loss on foreign exchange -Realised	-	234	-	234
-Unrealised	250	-	250	-
Inventories written down	-	-	550	-
Allowance for doubtful debts	-	-	1,315	-
After Crediting:				
Gain on foreign exchange -Realised	1,914	-	3,881	1,379
-unrealised	-	502	220	502
Interest income	20	15	50	48

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 June 2015 and 31 December 2014 respectively are analysed as follows:

	30.06.2015 RM'000	31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	41,733	35,905
- Unrealised	1,367	3,881
	<u>43,100</u>	<u>39,786</u>
Less: Consolidation adjustments	(7,187)	(7,028)
	<u><u>35,913</u></u>	<u><u>32,758</u></u>