

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2015**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter <b>31.12.2015</b> <b>RM'000</b>	Preceding Year Corresponding Quarter <b>31.12.2014</b> <b>RM'000</b>	Current Year To date <b>31.12.2015</b> <b>RM'000</b>	Preceding Year Corresponding Period <b>31.12.2014</b> <b>RM'000</b>
Revenue	53,753	43,116	176,442	136,023
Cost of Sales	(39,192)	(41,323)	(141,670)	(122,156)
Gross profit	14,561	1,793	34,772	13,867
Other operating income	498	3,878	7,093	12,575
General & administrative expenses	(8,003)	(4,886)	(24,205)	(16,933)
Profit from operations	7,056	785	17,660	9,509
Finance costs	(404)	(645)	(1,679)	(2,293)
Profit before tax	6,652	140	15,981	7,216
Tax expense	(3,481)	(870)	(5,039)	(953)
Net profit/(loss) for the period	3,171	(730)	10,942	6,263
Other Comprehensive income, net of tax				
Exchange gain on translation of net investment in foreign subsidiary companies	6,655	1,105	8,032	2,005
Total Comprehensive income for the period	9,826	375	18,974	8,268
Gross profit margin (%)	27.09	4.16	19.71	10.19
Profit after tax margin (%)	5.90	( 1.69)	6.20	4.60
Weighted average number of shares ('000)	175,470	175,470	175,470	175,470
Earnings per ordinary share (sen)				
- Basic	1.80	(0.41)	6.23	3.57
- Diluted	1.80	(0.41)	6.23	3.57

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 DECEMBER 2015**

	<b>As at 31.12.2015 RM'000</b>	<b>As at 31.12.2014 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	63,514	70,040
Deferred tax assets	529	444
Investment in club memberships, at cost	61	61
Total Non-Current Assets	<u>64,104</u>	<u>70,545</u>
<b>CURRENT ASSETS</b>		
Inventories	26,397	30,028
Trade receivables	49,761	44,027
Other receivables and prepaid expenses	2,918	5,505
Tax recoverable	42	42
Cash and bank balances	25,255	14,840
Total Current Assets	<u>104,373</u>	<u>94,442</u>
<b>TOTAL ASSETS</b>	<u><u>168,477</u></u>	<u><u>164,987</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share capital	87,735	87,735
Reserves	27,708	12,243
Shareholders' Equity	<u>115,443</u>	<u>99,978</u>
<b>NON-CURRENT LIABILITIES</b>		
Term loans	6,342	9,362
Hire-purchase payables	3,849	6,465
Deferred tax liabilities	243	-
Total Non-Current and Deferred Liabilities	<u>10,434</u>	<u>15,827</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	14,801	16,905
Other payables and accrued expenses	9,860	9,412
Term loans	2,723	2,920
Hire-purchase payables	3,346	3,773
Other bank borrowings	7,744	15,331
Tax payable	4,126	841
Total Current Liabilities	<u>42,600</u>	<u>49,182</u>
Total Liabilities	<u>53,034</u>	<u>65,009</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>168,477</u></u>	<u><u>164,987</u></u>
Net assets per ordinary share (RM)	0.658	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 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2015**

	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 2015	87,735	(20,515)	32,758	99,978
Total Comprehensive Income for the period	-	8,032	10,942	18,974
Single tier special interim dividend of 2 sen per share			(3,509)	(3,509)
As at 31 December 2015	<u>87,735</u>	<u>(12,483)</u>	<u>40,191</u>	<u>115,443</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 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 DECEMBER 2015**

	<b>Current Year To-date 31.12.2015 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2014 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	15,981	7,216
Adjustments for:		
Inventories written down	2,512	4,242
Depreciation of property, plant and equipment	12,867	12,790
Impairment loss on loans and receivables	2,785	-
Interest expenses	1,624	2,293
Gain on disposal of subsidiary company	-	(6,933)
Gain on disposal of property, plant and equipment	(71)	(74)
Property, plant and equipment written off	1,719	2
Reversal of inventories written down	(3,354)	(289)
Interest income	(109)	(134)
Unrealised gain on foreign exchange	(31)	(1,367)
Operating profit before working capital changes	33,923	17,746
Changes in working capital		
Net change in current assets	(1,459)	(21,826)
Net change in current liabilities	(5,144)	16,590
Cash generated from operations	27,320	12,510
Tax paid	(1,657)	(372)
Tax refund	94	4
Net cash generated from operating activities	25,757	12,142
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	74	390
Interest received	109	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	(5,744)	(7,413)
Net cash used in investing activities	(5,561)	(1,004)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire-purchase	(3,786)	(2,427)
Repayment of term loans	(3,217)	(4,693)
Proceed from Hire Purchase	743	-
(Decrease)/Increase in other bank borrowings	(7,311)	771
Interest paid	(1,624)	(2,293)
Net cash used in financing activities	(15,195)	(8,642)

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

	<b>Current Year To-date 31.12.2015 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2014 RM'000</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,001	2,496
Effects of foreign exchange rate changes	5,690	1,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	14,135	10,156
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	24,826	14,135
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	25,255	14,840
BANK OVERDRAFT	(429)	(705)
	24,826	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 2015.

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 the announcement dated 11 February 2015, 3 March 2015, 7 March 2015, 27 May 2015, 29 June 2015, 7 July 2015, 16 July 2015 and 27 August 2015 the Board has made an announcement on the action taken by the Board arising from the Investigation Report. For further update, kindly refer to note A14 on subsequent events.

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

A single tier special interim dividend of 2 sen per ordinary share for the financial year ended 31 December 2015 was paid on 19 January 2016.

**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

	<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 – 31 December 2015</b>					
Segment revenue					
Sales to external customers	33,135	136,123	7,184	-	176,442
Inter-segment sales	121,365	13,543	27,726	(162,634)	-
<b>Total</b>	<b>154,500</b>	<b>149,666</b>	<b>34,910</b>	<b>(162,634)</b>	<b>176,442</b>
<b>Segment revenue – current quarter</b>	<b>47,444</b>	<b>53,363</b>	<b>9,377</b>	<b>(56,431)</b>	<b>53,753</b>
<b>As at 31 December 2015</b>					
Total assets	210,800	53,584	44,047	(139,954)	168,477
Total liabilities	96,181	40,802	5,269	(89,218)	53,034
<b>Year to Date – 31 December 2014</b>					
Segment revenue					
Sales to external customers	34,434	93,810	7,779	-	136,023
Inter-segment sales	79,993	7,332	23,121	(110,446)	-
<b>Total</b>	<b>114,427</b>	<b>101,142</b>	<b>30,900</b>	<b>(110,446)</b>	<b>136,023</b>
<b>Segment revenue – current quarter</b>	<b>36,369</b>	<b>35,665</b>	<b>10,282</b>	<b>(39,200)</b>	<b>43,116</b>
<b>As at 31 December 2014</b>					
Total assets	216,762	41,443	46,490	(139,708)	164,987
Total liabilities	114,942	34,667	8,023	(92,623)	65,009



**A11. SEGMENTAL INFORMATION (CONTINUED)**

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

	<b>Current Year Quarter 31.12.2015</b>		<b>Preceding Year Corresponding Quarter 31.12.2014</b>	
	<b>RM'000</b>	<b>Percentage</b>	<b>RM'000</b>	<b>Percentage</b>
HDD	39,780	74%	30,612	71%
*Non-HDD	13,973	26%	12,504	29%
Total revenue	<u>53,753</u>	<u>100%</u>	<u>43,116</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 Year Quarter 31.12.2015</b>	<b>Current Year To Date 31.12.2015</b>
<b>Revenue</b>		
Malaysia	8,181	31,649
Outside Malaysia	45,572	144,793
Total	<u>53,753</u>	<u>176,442</u>

**A12. CONTINGENT LIABILITIES**

As at 31 December 2015, the Group has no material contingent liabilities save for corporate guarantee of RM93 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 2015.

**A14. SUBSEQUENT EVENTS**

The Board has on 3 February 2016 announced that the Company has on 29 January, 2016 received a payment amounted to RM2,749,070.77 [equivalent to USD660,041, computed based on the United States Dollar and Ringgit Malaysia exchange rate (Buying rate) as quoted by Bank Negara Malaysia as at 9.00 a.m. 29 January 2016 of USD1:RM4.165]. Hence, the Company has fully recovered the sum of USD0.66 million (being the balance sum remitted to U.S.A, after the refund of USD0.35million) upon credit of the said sum into the Bank account of the Company on 3 February 2016.

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

**B1. PERFORMANCE REVIEW**

**Current Year Quarter – 31 December 2015**

	<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	47,444	53,363	9,377	(56,431)	53,753
EBDITA *	6,818	1,973	1,156	611	10,558
Depreciation	(2,026)	(24)	(473)	(979)	(3,502)
Profit from operation	4,792	1,949	683	(368)	7,056
Finance costs	(346)	(5)	(53)	-	(404)
PBT **	4,446	1,944	630	(368)	6,652

**Preceding Year Quarter – 31 December 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	36,369	35,665	10,282	(39,200)	43,116
EBDITA *	3,813	2,059	1,526	(2,732)	4,666
Depreciation	(3,336)	(15)	(867)	-	(4,218)
Profit from operation	814	2,044	659	(2,732)	785
Finance costs	(588)	(4)	(53)	-	(645)
PBT **	226	2,040	606	(2,732)	140

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

\*\* PBT – Profit Before Tax

The Group recorded profit before taxation (“PBT”) of RM6.65 million in the quarter under review (“Q4 2015”) as compared to PBT of RM0.14 million in the preceding year corresponding quarter (“Q4 2014”).

The main reason contributing to the improvement in operating PBT for Q4 2015 vs Q4 2014 is due to increase in revenue by RM10.64 million or 24.68%, arising from increase in sales to existing customers coupled with 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 RM53.75 million in the current quarter (“Q4 2015”) as compared to RM47.98 million in the previous quarter (“Q3 2015”), an increase of RM5.77 million or 12.03%. The Group recorded a profit before taxation (“PBT”) of RM6.65 million for the quarter under review, as compared to previous quarter PBT of RM6.29 million.

The main reason contributing to the improvement in the result is arising from increase in sales to existing customers coupled with 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 economy. However, our new product mix development with the HDD customers is expected to continue 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 31 December 2015.

**B5. TAXATION**

	<b>Current Year Quarter 31.12.2015 RM’000</b>	<b>Current Year To date 31.12.2015 RM’000</b>
Corporate tax income/(expense)		
Malaysia	(2,230)	(3,502)
Foreign	(968)	(1,346)
	<u>(3,198)</u>	<u>(4,848)</u>
Deferred tax income/(expense)		
Malaysia	(283)	(191)
	<u>(3,481)</u>	<u>(5,039)</u>

**B6. CORPORATE PROPOSAL**

On 4 February 2016, the Board has proposed to seek the approval from its shareholders on the proposed purchase of its own ordinary shares of RM0.50 each of up to ten percent (10%) of its issued and paid-up share capital ("Proposed Share Buy-Back"). The Proposed Share Buy-Back has been approved by its shareholders on 24 February 2016.

Save as disclosed above, there were no any corporate proposals in the current quarter under review.

**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	3,346	3,849
Term Loans	2,723	6,342
Bankers' facilities	7,315	-
Bank overdraft	429	-
Total	<u>13,813</u>	<u>10,191</u>

The Group borrowings are dominated in the following currencies:

	<b>RM'000</b>
Ringgit Malaysia	23,346
China Renminbi	658
Total borrowings	<u>24,004</u>

**B8. MATERIAL LITIGATION**

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

**B9. DIVIDEND**

A single tier special interim dividend of 2 sen per ordinary share for the financial year ended 31 December 2015 was paid on 19 January 2016.

**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 31.12.2015	Preceding Corresponding Quarter 31.12.2014	Current Year To Date 31.12.2015	Preceding year Corresponding Period 31.12.2014
Net profit attributable to ordinary shareholders (RM '000)	3,171	(730)	10,942	6,263
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)	1.80	(0.41)	6.23	3.57

Diluted

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

**B11. PROFIT BEFORE TAX**

The following items have been included in arriving at profit before tax:

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To date	Corresponding Period
	Individual Quarter		Cumulative Quarter	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<b>After charging:-</b>				
Interest expense	404	645	1,624	2,293
Depreciation	3,502	4,218	12,867	12,790
Property, plant and equipment written off	1,719	2	1,719	2
Loss on foreign exchange				
-Realised	1,116	-	1,116	301
-Unrealised	189	-	189	282
Inventories written down	1,962	4,242	2,512	4,242
Impairment of loss and loans and receivables	1,470	-	2,785	-

**B11. PROFIT BEFORE TAX (CONTINUED)**

The following items have been included in arriving at profit before tax:

	Current Year Quarter <b>Individual Quarter</b> <b>31.12.2015</b> <b>RM'000</b>	Preceding Year Corresponding Quarter <b>31.12.2014</b> <b>RM'000</b>	Current Year To date <b>Cumulative Quarter</b> <b>31.12.2015</b> <b>RM'000</b>	Preceding Year Corresponding Period <b>31.12.2014</b> <b>RM'000</b>
<b>After Crediting:</b>				
Gain on disposal of subsidiary company	-	-	-	6,933
Gain on disposal of property, plant & machinery	71	74	71	74
Gain on foreign exchange				
- Realised	-	-	5,963	1,379
- Unrealised	-	865	220	1,367
Interest income	40	26	109	134
Reversal of inventories written down	3,354	289	3,354	289

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 2015 and 31 December 2014 respectively are analysed as follows:

	<b>31.12.2015</b> <b>RM'000</b>	<b>31.12.2014</b> <b>RM'000</b>
Total retained earnings of the Company and its subsidiaries		
- Realised	34,566	35,889
- Unrealised	2,016	3,881
	<hr/> 36,582	<hr/> 39,770
Less: Consolidation adjustments	3,609	(7,012)
	<hr/> <hr/> 40,192	<hr/> <hr/> 32,758