

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE 1st QUARTER ENDED 31 MARCH 2016**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2016 RM'000	Preceding Year Corresponding Quarter 31.3.2015 RM'000	Current Year To date 31.3.2016 RM'000	Preceding Year Corresponding Period 31.3.2015 RM'000
Revenue	41,027	34,958	41,027	34,958
Cost of Sales	(32,646)	(31,402)	(32,646)	(31,402)
Gross profit	8,381	3,556	8,381	3,556
Other operating income	2,299	2,698	2,299	2,698
General & administrative expenses	(4,996)	(5,521)	(4,996)	(5,521)
Profit from operations	5,684	733	5,684	733
Finance costs	(353)	(521)	(353)	(521)
Profit before tax	5,331	212	5,331	212
Tax expense	(764)	335	(764)	335
Net profit for the period	4,567	547	4,567	547
Other Comprehensive income, net of tax				
Exchange loss on translation of net investment in foreign subsidiary companies*	(10,531)	(515)	(10,531)	(515)
Total Comprehensive (loss)/ income for the period	(5,964)	32	(5,964)	32
Gross profit margin (%)	20.43	10.17	20.43	10.17
Profit after tax margin (%)	11.13	1.56	11.13	1.56
Weighted average number of shares ('000)	175,420	175,470	175,420	175,470
Earnings per ordinary share (sen)				
- Basic	2.60	0.31	2.60	0.31
- Diluted	2.60	0.31	2.60	0.31

* Foreign currency differences arising from translation of financial position of foreign entities.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF
31 MARCH 2016**

	As at 31.3.2016 RM'000	As at 31.12.2015 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	62,337	63,513
Deferred tax assets	605	529
Investment in club memberships, at cost	61	61
Total Non-Current Assets	<u>63,003</u>	<u>64,103</u>
CURRENT ASSETS		
Inventories	21,838	26,397
Trade receivables	34,586	50,338
Other receivables and prepaid expenses	1,633	2,372
Tax recoverable	36	42
Cash and bank balances	28,694	25,255
Total Current Assets	<u>86,787</u>	<u>104,404</u>
TOTAL ASSETS	<u><u>149,790</u></u>	<u><u>168,507</u></u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	87,735	87,735
Less: Treasury shares	(24)	-
Reserves	21,743	27,707
Shareholders' Equity	<u>109,454</u>	<u>115,442</u>
NON-CURRENT LIABILITIES		
Term loans	5,399	6,342
Hire-purchase payables	3,327	3,849
Deferred tax liabilities	417	243
Total Non-Current and Deferred Liabilities	<u>9,143</u>	<u>10,434</u>
CURRENT LIABILITIES		
Trade payables	13,753	14,802
Other payables and accrued expenses	2,885	9,890
Term loans	2,920	2,723
Hire-purchase payables	3,164	3,346
Other bank borrowings	4,502	7,744
Tax payable	3,969	4,126
Total Current Liabilities	<u>31,193</u>	<u>42,631</u>
Total Liabilities	<u>40,336</u>	<u>53,065</u>
TOTAL EQUITY AND LIABILITIES	<u><u>149,790</u></u>	<u><u>168,507</u></u>
Net assets per ordinary share (RM)	0.624	0.658

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1st QUARTER ENDED 31 MARCH 2016**

	Shares Capital RM'000	Treasury shares RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000
Balance as of 1 January 2016	87,735	-	(12,484)	40,191	115,442
Total Comprehensive Income for the period	-	-	(10,531)	4,567	(5,964)
Buy back of ordinary shares	-	(24)	-		(24)
As at 31 March 2016	<u>87,735</u>	<u>(24)</u>	<u>(23,015)</u>	<u>44,758</u>	<u>109,454</u>

	Share Capital RM'000	Treasury Share 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 year	-	-	8,031	10,942	18,973
Single tier special interim dividend of 2 sen per share	-	-	-	(3,509)	(3,509)
As at 31 December 2015	<u>87,735</u>	<u>-</u>	<u>(12,484)</u>	<u>40,191</u>	<u>115,442</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 2015 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2016**

	Current Year To-date 31.3.2016 RM'000	Preceding Year Corresponding Period 31.12.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,331	15,981
Adjustments for:		
Inventories written down	-	2,512
Depreciation of property, plant and equipment	2,406	12,867
Impairment loss on loans and receivables	-	2,868
Interest expenses	353	1,679
Gain on disposal of property, plant and equipment	-	(71)
Property, plant and equipment written off	283	1,719
Reversal of inventories written down	-	(3,354)
Interest income	(28)	(109)
Unrealised gain on foreign exchange	-	(31)
Operating profit before working capital changes	<u>8,345</u>	<u>34,061</u>
Changes in working capital		
Net change in current assets	21,050	(1,543)
Net change in current liabilities	(8,054)	(5,144)
Cash generated from operations	<u>21,341</u>	<u>27,374</u>
Tax paid	(823)	(1,657)
Tax refund	6	94
Net cash generated from operating activities	<u>20,524</u>	<u>25,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	74
Interest received	28	109
Purchase of property, plant and equipment	(1,513)	(5,001)
Net cash used in investing activities	<u>(1,485)</u>	<u>(4,818)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire-purchase	(704)	(3,786)
Repayment of term loans	(746)	(3,217)
Repurchase of treasury shares	(24)	-
(Decrease)/Increase in other bank borrowings	(2,813)	(7,310)
Interest paid	(353)	(1,679)
Net cash used in financing activities	<u>(4,640)</u>	<u>(15,992)</u>

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE CUMULATIVE QUARTER ENDED 31 MARCH 2016 (CONTINUED)**

	Current Year To-date 31.3.2016 RM'000	Preceding Year Corresponding Period 31.12.2015 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,399	5,001
Effects of foreign exchange rate changes	(10,531)	5,690
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	24,826	14,135
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	28,694	24,826
CASH AND CASH EQUIVALENTS COMPRISE:		
CASH AND BANK BALANCES	28,694	25,255
BANK OVERDRAFT	-	(429)
	28,684	24,826

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015 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 2015.

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 2015.

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 year quarter ended 31 March 2016.

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

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 31 March 2016.

During the financial period ended 31 March 2016, the company repurchased 50,000 of its issued share capital from the open market for an average price of RM0.48 per share. The repurchase transactions were financed by the internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act 1965. There is no shares being cancelled or resold during the financial period under review.

As of 31 March 2016, out of the total 175,470,370 issued and fully paid-up share capital, 50,000 are held as treasury shares. Hence, the number of outstanding ordinary shares in issue and fully paid-up is 175,420,370 ordinary shares of RM0.50 each. Shares purchased were stated at cost.

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) China

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Year to Date – 31 March 2016					
Segment revenue					
Sales to external customers	11,354	29,221	452	-	41,027
Inter-segment sales	22,462	2,250	6,886	(31,598)	-
Total	33,816	31,471	7,338	(31,598)	41,027
Segment revenue – current quarter	33,816	31,471	7,338	(31,598)	41,027
As at 31 March 2016					
Total assets	204,630	39,935	49,118	(143,893)	149,790
Total liabilities	86,662	28,119	9,831	(84,276)	40,336
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

A11. SEGMENTAL INFORMATION (CONTINUED)

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

	Current Year Quarter 31.3.2016		Preceding Year Corresponding Quarter 31.3.2015	
	RM'000	Percentage	RM'000	Percentage
HDD	29,696	72%	22,874	65%
*Non-HDD	11,331	28%	12,084	35%
Total revenue	<u>41,027</u>	<u>100%</u>	<u>34,958</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 31.3.2016	Current Year To Date 31.3.2016
Revenue		
Malaysia	7,602	7,602
Outside Malaysia	33,425	33,425
Total	<u>41,027</u>	<u>41,027</u>

A12. CONTINGENT LIABILITIES

As at 31 March 2016, the Group has no material contingent liabilities save for corporate guarantee of RM85 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 2016.

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 2016

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	33,816	31,471	7,338	(31,598)	41,027
EBDITA *	6,345	232	1,115	398	8,090
Depreciation	(1,800)	(21)	(585)	-	(2,406)
Profit from operation	4,545	211	530	398	5,684
Finance costs	(327)	(5)	(21)	-	(353)
PBT **	4,218	206	509	398	5,331

Preceding Year Quarter – 31 March 2015

	Malaysia RM'000	Singapore RM'000	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

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

** PBT - Profit Before Tax

*** P/(L)BT – Profit/(loss) Before Tax

The Group recorded profit before taxation (“PBT”) of RM5.33 million in the quarter under review (“Q1 2016”) as compared to PBT of RM0.21 million in the preceding year corresponding quarter (“Q1 2015”).

The main reason contributing to the improvement in operating PBT for Q1 2016 vs Q1 2015 is due to increase in revenue by RM6.07 million or 17.36%, arising from increase in sales to existing customers and also one off income from the full recovery of USD0.66 million or equivalent to RM2.75 million during the quarter under review as per announcement dated 3 February 2016.

B2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded revenue of RM41.03 million in the current quarter ("Q1 2016") as compared to RM53.75 million in the previous quarter ("Q4 2015"), a decrease of RM12.72 million or 23.66%. The Group recorded a profit before taxation ("PBT") of RM5.33 million for the quarter under review, as compared to previous quarter PBT of RM6.65 million.

The reasons contributing to the decrease in the result are as follow:

1. Decrease in sales to existing customers.
2. Appreciation of Ringgit Malaysia against USD.

Nevertheless, the impact has been cushioned by the one off income from the full recovery of USD0.66 million during the quarter under review as per announcement dated 3 February 2016.

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 March 2016.

B5. TAXATION

	Current Year Quarter 31.3.2016 RM'000	Current Year To date 31.3.2016 RM'000
Corporate tax expense		
Malaysia	(666)	(666)
Foreign	-	-
	<hr/>	<hr/>
	(666)	(666)
Deferred tax expense		
Malaysia	(98)	(98)
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	(764)	(764)

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 other 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:

	Short-term (Secured) RM'000	Long-term (Secured) RM'000
Hire purchase	3,164	3,327
Term Loans	2,920	5,399
Bankers' facilities	4,502	-
Total	<u>10,586</u>	<u>8,726</u>

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	18,974
China Renminbi	338
Total borrowings	<u>19,312</u>

B8. MATERIAL LITIGATION

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

B9. DIVIDEND

The shareholders of the company has on its 14th AGM held on 19 May 2016 approved a single tier Final dividend of 1.1 sen per ordinary share for the financial year ended 31 December 2015. This dividend will be paid to shareholders on 15 June 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 31.3.2016	Preceding Corresponding Quarter 31.3.2015	Current Year To Date 31.3.2016	Preceding year Corresponding Period 31.3.2015
Net profit attributable to ordinary shareholders (RM '000)	4,567	547	4,567	547
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	175,420	175,470	175,420	175,470
Basic earning per share (sen)	2.60	0.31	2.60	0.31

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	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
After charging:-				
Interest expense	353	495	353	495
Depreciation	2,406	2,807	2,406	2,807
Property, plant and equipment written off	283	-	283	-
Loss on foreign exchange				
-Realised	679	-	679	-
-Unrealised	-	-	-	-
Inventories written down	-	550	-	550
Allowance for doubtful debts	-	1,315	-	1,315
After Crediting:				
Gain on foreign exchange				
-Realised	-	1,967	-	1,967
-Unrealised	-	220	-	220
Interest income	28	30	28	30

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 2016 and 31 December 2015 respectively are analysed as follows:

	31.3.2016	31.12.2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	37,166	34,566
- Unrealised	3,502	2,015
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	40,668	36,581
Consolidation adjustments	4,090	3,609
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	44,758	40,190
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