


INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	As at 31-Mar-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	112,014	112,856
Investment in associates	14,485	14,435
Investment securities	4,407	7,502
Intangible assets	7,452	7,457
Deferred tax assets	957	1,123
	<u>139,315</u>	<u>143,373</u>
Current assets		
Inventories	167,633	169,661
Trade and other receivables	101,106	104,022
Tax recoverable	614	815
Cash and bank balances	33,584	32,695
	<u>302,937</u>	<u>307,193</u>
TOTAL ASSETS	<u>442,252</u>	<u>450,566</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	65,033	65,026
Share premium	13,875	13,868
Treasury shares	(5,846)	(4,797)
Irredeemable Convertible Unsecured Loan Stock ("ICULS") equity	26,845	26,240
Other reserves	15,045	16,007
Retained earnings	132,023	128,990
Total equity attributable to owners of the parent	<u>246,975</u>	<u>245,334</u>
Non-controlling interests	<u>29,565</u>	<u>28,914</u>
Total equity	<u>276,540</u>	<u>274,248</u>
Non-current liabilities		
ICULS liability	2,322	3,096
Bank borrowings	15,077	17,619
Deferred tax liabilities	420	408
	<u>17,819</u>	<u>21,123</u>
Current liabilities		
Trade and other payables	43,938	50,466
Bank borrowings	102,895	103,297
Tax payable	1,060	1,432
	<u>147,893</u>	<u>155,195</u>
Total liabilities	<u>165,712</u>	<u>176,318</u>
TOTAL EQUITY AND LIABILITIES	<u>442,252</u>	<u>450,566</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
Revenue	56,963	56,489	56,963	56,489
Operating expenses	(49,778)	(48,198)	(49,778)	(48,198)
Other income	1,074	615	1,074	615
Operating profit	8,259	8,906	8,259	8,906
Interest expense	(2,476)	(3,139)	(2,476)	(3,139)
Interest income	87	58	87	58
Share of results of associates	86	95	86	95
Profit before tax	5,956	5,920	5,956	5,920
Tax expense	(2,257)	(1,865)	(2,257)	(1,865)
Profit for the period	3,699	4,055	3,699	4,055
Profit attributable to:				
Owners of the parent	3,033	3,318	3,033	3,318
Non-controlling interests	666	737	666	737
Profit for the period	3,699	4,055	3,699	4,055
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	2.44	2.78	2.44	2.78
Diluted EPS	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	Current quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2017 RM '000	2016 RM '000	2017 RM '000	2016 RM '000
Profit for the period	3,699	4,055	3,699	4,055
Other comprehensive income / (expenses), net of tax:				
Currency translation differences arising from consolidation	172	(5,745)	172	(5,745)
Fair value movements on available for sale investments	(1,134)	(352)	(1,134)	(352)
Total comprehensive income/(loss) for the period	2,737	(2,042)	2,737	(2,042)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,071	(2,779)	2,071	(2,779)
Non-controlling interests	666	737	666	737
	2,737	(2,042)	2,737	(2,042)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	Cumulative quarter 12 months ended 31 March	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,956	5,920
Adjustments for:		
Non-cash items and non-operating items	4,081	229
Operating profit before working capital changes	10,037	6,149
Inventories	2,028	4,562
Receivables	2,916	18,553
Payables	(6,528)	(15,745)
Cash generated from operating activities	8,453	13,519
Interest paid	(2,476)	(3,139)
Net of tax paid	(2,253)	(1,943)
Net cash from operating activities	3,724	8,437
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	-	(31)
Dividend received	77	1
Interest received	87	56
Net of purchase and disposal of investment securities	1,916	(1,353)
Net of purchase and disposal of property, plant and equipment	(511)	(2,320)
Net cash generated from/(used in) investing activities	1,569	(3,647)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(15)	-
Net of repurchase and disposal of treasury shares	(1,049)	619
Net changes in bank borrowings	(2,944)	(4,164)
Net cash used in financing activities	(4,008)	(3,545)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,285	1,245
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	26,039	26,022
Effect of foreign exchange rates changes	2,860	1,261
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	30,184	28,528
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	33,584	31,612
Overdrafts	(3,400)	(3,084)
	30,184	28,528

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

(RM'000)	----- Non-Distributable -----							Distributable		Total	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	ICULS equity	Warrant reserve	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings			
Balance as at 1 January 2016	64,281	12,852	(8,960)	26,491	20,946	(20,054)	10,404	368	132,178	238,506	26,928	265,434
Purchase of treasury shares	-	-	(484)	-	-	-	-	-	-	(484)	-	(484)
Resold of treasury shares	-	271	832	-	-	-	-	-	-	1,103	-	1,103
Transfer from ICULS liability	-	-	-	620	-	-	-	-	-	620	-	620
Total comprehensive income for the period	-	-	-	-	-	-	(5,745)	(352)	3,318	(2,779)	737	(2,042)
Balance as at 31 March 2016	64,281	13,123	(8,612)	27,111	20,946	(20,054)	4,659	16	135,496	236,966	27,665	264,631
Balance as at 1 January 2017	65,026	13,868	(4,797)	26,240	20,946	(20,054)	15,584	(469)	128,990	245,334	28,914	274,248
Purchase of treasury shares	-	-	(1,049)	-	-	-	-	-	-	(1,049)	-	(1,049)
Conversion of ICULS	7	7	-	(14)	-	-	-	-	-	-	-	-
Transfer from ICULS liability	-	-	-	619	-	-	-	-	-	619	-	619
Dividend paid	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Total comprehensive income for the period	-	-	-	-	-	-	172	(1,134)	3,033	2,071	666	2,737
Balance as at 31 March 2017	65,033	13,875	(5,846)	26,845	20,946	(20,054)	15,756	(1,603)	132,023	246,975	29,565	276,540

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
NOTES TO THE INTERIM FINANCIAL REPORT
- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING
A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2016.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2016 save for the following new MFRSs and amendments to MFRSs.

MFRS	Description	Effective dates for financial periods beginning on or after
Amendment to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
• Amendments to MFRS 12		1 January 2017
• Amendments to MFRS 1		1 January 2017
• Amendments to MFRS128		1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and measurement of Share-based payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

The Group and the Company intend to adopt the above MFRSs when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

A3 Seasonal or cyclical factors

The Group performance is not materially affected by seasonal or cyclical factors.

A4 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 and financial period-to-date.

A5 Changes in estimates

There were no changes in estimates that have material effect in the current quarter and financial period-to-date results.

A6 Debt and equity securities

There were no issuances and repayments of debt and equity securities during financial period ended 31 March 2017 save for shares buy back and conversion of ICULS to ordinary share.

At the Annual General Meeting held on 24 May 2017, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 31 March 2017, the Company repurchased of 975,400 own shares

As at 31 March 2017, a total of 5,850,810 treasury shares, representing 4.50% of the issued and paid up share capital of the Company are being held as treasury shares and carried at cost at RM5.846 million.

During the financial period 31 March 2017, 14,100 ICULS were converted by the registered ICULS holders to 14,100 new ordinary shares.

A7 Dividend paid

No dividend had been paid for the financial period under review.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
A8 Segment information
By business segment

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	42,203	3,376	5,740	5,644	-	56,963
Inter-segment revenue	9,241	1,488	727	24	(11,480)	-
Total revenue	51,444	4,864	6,467	5,668	(11,480)	56,963
Segment results	8,754	(408)	622	514	(850)	8,632
Unallocated expenses						(373)
Interest expense						(2,476)
Interest income						87
Share of results of associates						86
Profit before tax						5,956
Tax expense						(2,257)
Profit after tax						3,699
Non-controlling interests						(666)
Profit attributable to owners of the parent for financial period ended 31 March 2017						<u>3,033</u>

A9 Material post balance sheet events

There was no material events subsequent to the end of the financial period ended 31 March 2017 as at the date of this report.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2017.

A11 Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2016.

A12 Capital commitments

There were no material capital commitments as at 31 March 2017.

A13 Related party transactions

There were no related party transactions for the period ended 31 March 2017.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
NOTES TO THE INTERIM FINANCIAL REPORT
- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
B1 Review of performance for current quarter and financial period-to-date
Current quarter and financial period to date

There is no significant change in revenue and profit before tax for the Group as compared to preceding year corresponding quarter. The Group reported revenue of RM56.963 million for the current quarter ended 31 March 2017 which was RM0.474 million or 0.8% higher as compared to the preceding year corresponding quarter ended 31 March 2016 of RM56.489 million.

The Group recorded a profit before tax of RM5.956 million for the current quarter which was RM0.036 million or 0.6% higher as compared to the preceding year corresponding quarter of RM5.920 million.

B2 Comparison with preceding quarter's results

The revenue and profit before tax for the current quarter and preceding quarter are summarised as follows:

	3 months ended	3 months ended	Variance	
	31-Mar-17	31-Dec-16	RM'000	%
Revenue	56,963	63,304	(6,341)	(10.0)
Profit before tax	5,956	2,651	3,305	124.7

The revenue for the current quarter ended 31 March 2017 decreased by 10.0% as compared to preceding quarter. Decrease in revenue was due to soft demand in all business segments on the first quarter of the year. However, profit before tax increased by 124.7% as compared to preceding quarter ended 31 December 2016 which was due mainly to the impairment losses on receivables, inventories written down, property plant and equipment written off coupled with higher expenses incurred in the preceding quarter.

B3 Commentary on prospects for 2017

The year 2017 will likely remains challenging as there is remain uncertainty which is the greatest threat to the world economy at the present with the escalation of costs due to inflation and fluctuation of exchange rates. Although the global economic conditions are expected to be still challenging, it is envisioned that the economy will continue to grow, albeit at a moderate pace. The Group's core business is not expected to be significantly adversely affected barring a drastic change in global economic conditions. The Group will continue with its competitive strategy of developing further on its own brands to enhance its market position. In addition, the Group will concentrate on improving the efficiency in operations to achieve the competitive edge in the market.

Taking into consideration the abovementioned factors and subject to the global economic conditions, the Board of Directors is of the view that the Group is optimistic of reporting a better performance and growth in the financial year ending 31 December 2017.

B4 Profit forecast

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
B5 Income tax expense

	Current quarter 3 months ended 31-Mar-17 RM'000	Cumulative quarters 3 months ended 31-Mar-17 RM'000
Current period provision	2,411	2,411
Deferred tax	(154)	(154)
	<u>2,257</u>	<u>2,257</u>

The effective tax rate for current quarter and the cumulative quarter are higher than the statutory tax rate were due principally to losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

B6 Status of corporate proposals and status of utilisation of proceeds raised

There was no corporate proposal being carried out during the period under review.

B7 Group borrowings and debt securities

Total Group borrowings as at 31 March 2017 are as follows:

	Ringgit Malaysia RM'000	Singapore Dollar RM'000	Indonesia Rupiah RM'000	Thai Bath RM'000	Chinese Yuan RM'000	Total RM'000
Current						
Secured borrowings	60,205	300	37,243	-	118	97,866
Unsecured borrowings	-	-	2,871	2,158	-	5,029
	<u>60,205</u>	<u>300</u>	<u>40,114</u>	<u>2,158</u>	<u>118</u>	<u>102,895</u>
Non-current						
Secured borrowings	12,215	469	2,393	-	-	15,077
Unsecured borrowings	-	-	-	-	-	-
	<u>12,215</u>	<u>469</u>	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>15,077</u>
Total borrowings	<u>72,420</u>	<u>769</u>	<u>42,507</u>	<u>2,158</u>	<u>118</u>	<u>117,972</u>

B8 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B9 Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017
B10 Dividend

The Board of Directors proposed a first and final single tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2016. The proposed dividend payment is amounting to RM3.755 million based on the issued and paid-up capital as at 31 December 2016 of 125,175,724 ordinary shares of RM0.50 each (excluding treasury shares held by the Company). The proposed dividend was approved by the shareholders at the Twentieth Annual General Meeting held on 24 May 2017.

B11 Earnings per share (“EPS”)
Basic EPS

The basic EPS had been calculated by dividing the Group’s profit for the year attributable to owner of the parent by the weighted average number of shares in issue.

	Current quarter 3 months ended 31-Mar-17	Cumulative quarters 3 months ended 31-Mar-17
Profit for the period (RM’000)	3,699	3,699
Profit attributable to non-controlling interests (RM’000)	(666)	(666)
Profit attributable to owners of the parent (RM’000)	<u>3,033</u>	<u>3,033</u>
Weighted average number of ordinary shares in issue (’000)	<u>124,556</u>	<u>124,556</u>
Basic EPS (sen)	2.44	2.44

Diluted EPS

The diluted EPS is not calculated due to anti-dilutive effect as exercise price of the Warrants was higher than the market price of the ordinary shares as at 31 March 2017.

B12 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2016 was not subject to any qualification.



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

B13 Notes to Condensed Consolidated Income Statements

	Current quarter 3 months ended 31-Mar-17 RM'000	Cumulative quarter 3 months ended 31-Mar-17 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for diminution in investment securities	64	64
Bad debts recovered	(14)	(14)
Depreciation & amortization	1,862	1,862
Dividend income	77	77
Gain on disposal of investment securities	203	203
Gain on disposal of property, plant & equipment	(102)	(102)
Gain on foreign exchange – realised	(397)	(397)
Interest expense	2,476	2,476
Interest income	(87)	(87)
Rental income	9	9

B14 Breakdown of Realised and Unrealised Profits/Losses

	As at 31-Mar-17 (Unaudited) RM'000	As at 31-Dec-16 (Audited) RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	179,351	174,547
- Unrealised	(14,068)	(13,712)
Total share of retained profits from associate companies:		
- Realised	6,350	6,264
- Unrealised	-	-
	<u>171,633</u>	<u>167,099</u>
Less: Consolidation Adjustments	(39,610)	(38,109)
Total group retained profits as per consolidated accounts	<u>132,023</u>	<u>128,990</u>

By order of the Board

Dato' Lim Cheah Chooi
Chief Executive Director

Dated this 25th May 2017