



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 - UNAUDITED

	Unaudited as at 30.06.13 RM'000	Audited and restated * as at 30.6.12 RM'000	Audited and restated * as at 1.7.11 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	162,965	176,249	182,965
Investment properties	5,194	5,261	5,329
Investment in an associate	5,584	-	-
Other investment	142	145	140
Trade and other receivables	911	1,966	2,376
	<u>174,796</u>	<u>183,621</u>	<u>190,810</u>
Current assets			
Inventories	236,055	247,717	220,948
Trade and other receivables	106,500	121,519	108,884
Tax recoverable	842	3,158	1,997
Cash and bank balances	30,703	27,703	23,708
	<u>374,100</u>	<u>400,097</u>	<u>355,537</u>
TOTAL ASSETS	<u>548,896</u>	<u>583,718</u>	<u>546,347</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	136,267	136,267	136,267
Reserves	217,544	203,535	156,378
	<u>353,811</u>	<u>339,802</u>	<u>292,645</u>
Non-controlling interest	51,398	47,626	31,195
Total equity	<u>405,209</u>	<u>387,428</u>	<u>323,840</u>
Non-current liabilities			
Provision for retirement benefits	1,877	2,577	2,529
Borrowings	6,305	9,506	9,101
Deferred tax liabilities	9,204	10,076	10,404
	<u>17,386</u>	<u>22,159</u>	<u>22,034</u>
Current liabilities			
Trade and other payables	39,906	52,334	83,401
Provision for retirement benefits	936	190	21
Borrowings	85,459	121,607	111,600
Dividend payable	-	-	5,451
	<u>126,301</u>	<u>174,131</u>	<u>200,473</u>
Total liabilities	<u>143,687</u>	<u>196,290</u>	<u>222,507</u>
TOTAL EQUITY AND LIABILITIES	<u>548,896</u>	<u>583,718</u>	<u>546,347</u>
Net assets per share attributable to owners of the parent (RM)	1.30	1.25	1.07

* Upon the adoption of the MFRS framework, the consolidated statement of financial position as at 30 June 2012 and 1 July 2011 have been restated.

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2012. The accompanying notes are an integral part of these interim financial statements.



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS PERIOD ENDED 30 JUNE 2013 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Revenue	121,044	118,370	461,889	501,581
Cost of sales	<u>(103,452)</u>	<u>(101,817)</u>	<u>(402,739)</u>	<u>(402,195)</u>
Gross profit	17,592	16,553	59,150	99,386
Other income	3,087	1,648	6,928	6,071
Administrative expenses	(4,890)	(2,573)	(15,197)	(17,817)
Selling and distribution expenses	<u>(3,899)</u>	<u>(4,284)</u>	<u>(15,929)</u>	<u>(14,768)</u>
Operating profit	11,890	11,344	34,952	72,872
Finance costs	(359)	(489)	(1,799)	(2,417)
Share of loss of an associate	(206)	-	(559)	-
Profit before taxation	<u>11,325</u>	<u>10,855</u>	<u>32,594</u>	<u>70,455</u>
Taxation	<u>(1,530)</u>	<u>(1,485)</u>	<u>(5,618)</u>	<u>(7,886)</u>
Profit for the period/ year	9,795	9,370	26,976	62,569
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	<u>1,305</u>	<u>3,795</u>	<u>(2,382)</u>	<u>3,744</u>
Total comprehensive income for the period/ year	<u>11,100</u>	<u>13,165</u>	<u>24,594</u>	<u>66,313</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 30 June 2012. The accompanying notes are an integral part of these interim financial statements.



CHIN WELL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 12 MONTHS PERIOD ENDED 30 JUNE 2013 - UNAUDITED (CONT'D)

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Owners of the parent	8,043	8,431	22,284	47,635
Non-controlling interest	<u>1,752</u>	<u>939</u>	<u>4,692</u>	<u>14,934</u>
	<u>9,795</u>	<u>9,370</u>	<u>26,976</u>	<u>62,569</u>
Total comprehensive income attributable to:				
Owners of the parent	8,793	10,729	24,594	49,882
Non-controlling interest	<u>2,307</u>	<u>2,436</u>	<u>3,772</u>	<u>16,431</u>
	<u>11,100</u>	<u>13,165</u>	<u>24,594</u>	<u>66,313</u>
Earnings per share attributable to owners of the parent (sen)				
- Basic/ Diluted	<u>2.95</u>	<u>3.09</u>	<u>8.18</u>	<u>17.48</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 30 June 2012. The accompanying notes are an integral part of these interim financial statements.



CHIN WELL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 12 MONTHS PERIOD ENDED 30 JUNE 2013 - UNAUDITED

	----- Attributable to Owners of the Parent -----						
	---- Non-distributable ----			Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 July 2012 (Restated)	136,267	2,513	2,247	198,775	339,802	47,626	387,428
Total comprehensive income for the year	-	-	(1,462)	22,284	20,822	3,772	24,594
<i>Transaction with owners:</i>							
Dividends	-	-	-	(6,813)	(6,813)	-	(6,813)
At 30 June 2013	<u>136,267</u>	<u>2,513</u>	<u>785</u>	<u>214,246</u>	<u>353,811</u>	<u>51,398</u>	<u>405,209</u>
At 1 July 2011 (Restated)	136,267	2,513	-	153,865	292,645	31,195	323,840
Total comprehensive income for the year	-	-	2,247	47,635	49,882	16,431	66,313
<i>Transaction with owners:</i>							
Dividend	-	-	-	(2,725)	(2,725)	-	(2,725)
At 30 June 2012	<u>136,267</u>	<u>2,513</u>	<u>2,247</u>	<u>198,775</u>	<u>339,802</u>	<u>47,626</u>	<u>387,428</u>

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2012. The accompanying notes are an integral part of these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 12 MONTHS PERIOD ENDED 30 JUNE 2013 - UNAUDITED

	30.06.13 RM'000	30.06.12 RM'000
Cash flows from operating activities		
Profit before taxation	32,594	70,455
Adjustments for:		
Bad debts	1,777	84
Depreciation	16,913	17,148
Gain on disposal of property, plant and equipment	(24)	(42)
Impairment (reverse)/ charge on receivables	(78)	332
Interest expense	1,799	2,417
Interest income	(391)	(116)
Property, plant and equipment written off	195	368
Provision for retirement benefits	67	339
Share of loss of an associate	559	-
Unrealised loss/(gain) on foreign exchange	133	(799)
Operating profit before working capital changes	53,544	90,186
Decrease/(Increase) in inventories	10,154	(24,220)
Decrease/ (Increase) in receivables	13,206	(9,901)
Decrease in payables	(11,463)	(30,470)
Cash from operations	65,441	25,595
Interest paid	(1,799)	(2,417)
Retirement benefits paid	(21)	(121)
Income tax paid	(6,103)	(11,905)
Income tax refund	1,929	2,530
Net cash from operating activities	59,447	13,682
Cash flows from investing activities		
Interest received	391	116
Proceeds from disposal of property, plant and equipment	71	78
Purchase of property, plant and equipment	(5,652)	(7,831)
Acquisition of an associate	(6,224)	-
Net cash used in investing activities	(11,414)	(7,637)
Cash flows from financing activities		
Dividends paid	(6,813)	(8,176)
Net change in borrowings	(37,986)	6,875
Net cash used in financing activities	(44,799)	(1,301)
Net increase in cash and cash equivalents	3,234	4,744
Effect of changes in exchange rates on cash and cash equivalents	(234)	6
Cash and cash equivalents at beginning	27,703	22,953
Cash and cash equivalents at end	30,703	27,703

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 30 June 2012. The accompanying notes are an integral part of these interim financial statements.



CHIN WELL HOLDINGS BERHAD

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant To MFRS 134

A1. First-time Adoption of Malaysian Financial Reporting Standards ("MFRS")

The condensed consolidated interim financial statements ("Report") have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Report also complies with MFRS 134: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). For the periods up to and including the financial year ended 30 June 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

This Report is the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the financial year ended 30 June 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to this Report 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 financial year ended 30 June 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 July 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position is set out in Note A2.1 below. These notes include reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and statement of cash flows.

A2. Significant Accounting Policies

A2.1 Application of MFRS 1

The audited financial statements of the Group for the financial year ended 30 June 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Report are consistent with those of the audited financial statements for the financial year ended 30 June 2012 except as discussed below:

Foreign currency translation

Under FRS, the Group recognised translation differences on its foreign operation as a separate component of equity. Cumulative foreign currency translation differences for its foreign operation is deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM23,638,371 as at 1 July 2011 was adjusted to retained profits as at that date and 30 June 2012.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided as below:

Reconciliation of equity as at 1 July 2011

RM'000	FRS as at 1.7.11	Reclassifications	MFRS as at 1.7.11
Equity			
Foreign translation reserve	(23,639)	23,639	-
Retained profits	177,504	(23,639)	153,865

Reconciliation of equity as at 30 June 2012

RM'000	FRS as at 30.6.12	Reclassifications	MFRS as at 30.6.12
Equity			
Foreign translation reserve	(21,392)	23,639	2,247
Retained profits	222,414	(23,639)	198,775

A2.2 Standards issued but not yet effective

At the date of authorisation of this Report, the following Malaysia Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretation ("IC Int") were issued but not yet effective and have not been early applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretation		Effective date
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits (International Accounting Standard ("IAS") 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities	1 January 2014
MFRS 7	Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures	1 January 2015
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A3. Audit Report of Preceding Annual Financial Statements

The auditors' report of the Group's most recent annual audited financial statements for the financial year ended 30 June 2012 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business of the Group was not affected by seasonal or cyclical factors and anticipated that revenues for the current quarter to decline. Factors such as world economic growth as well as the European crisis has contributed to decline in revenues.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year under review.

A6. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter.

A7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current quarter to date under review.

A8. Dividend Paid

The following dividends were paid during the current financial year and previous corresponding year :

	Financial Year ended 30.6.13 RM
First interim tax exempt dividend paid on 20 May 2013 for the year ended 30 June 2013 - 1.0 sen per ordinary share	2,725,332
Second interim tax exempt dividend paid on 22 Nov 2012 for the year ended 30 June 2012 - 1.5 sen per ordinary share	4,087,997
	<u>6,813,329</u>
	Financial Year ended 30.6.12 RM
First tax exempt dividend paid on 22 May 2012 for the year ended 30 June 2012 - 1.0 sen per ordinary share	2,725,332
Second interim tax exempt dividend paid on 6 Jul 2011 for the year ended 30 June 2011 - 2.0 sen per ordinary share	5,450,663
	<u>8,175,995</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A9. Segment Information

Segment information is presented in respect of the Group's business segments. Inter-segment pricing is determined based on negotiated basis.

(i) Analysis by business segments

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination/ Adjustment RM'000	Group RM'000
12 months ended 30 June 2013					
Revenue					
External revenue	351,619	110,270	-	-	461,889
Inter-segment revenue	-	4	-	(4)	-
Total revenue	<u>351,619</u>	<u>110,274</u>	<u>-</u>	<u>(4)</u>	<u>461,889</u>
Results					
Segment profit/(loss)	47,420	4,528	(474)	-	51,474
Finance costs	(1,371)	(428)	-	-	(1,799)
Interest income	302	89	-	-	391
Depreciation	(14,676)	(2,237)	-	-	(16,913)
Share of loss of Associate	(559)	-	-	-	(559)
Profit/(Loss) before taxation	<u>31,116</u>	<u>1,952</u>	<u>(474)</u>	<u>-</u>	<u>32,594</u>
Segment assets	<u>453,585</u>	<u>93,600</u>	<u>1,711</u>	<u>-</u>	<u>548,896</u>
Segment liabilities	<u>110,107</u>	<u>33,350</u>	<u>230</u>	<u>-</u>	<u>143,687</u>
	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
12 months ended 30 June 2012					
Revenue					
External revenue	378,467	123,114	-	-	501,581
Inter-segment revenue	-	65	-	(65)	-
Total revenue	<u>378,467</u>	<u>123,179</u>	<u>-</u>	<u>(65)</u>	<u>501,581</u>
Results					
Segment profit/(loss)	85,785	4,575	(456)	-	89,904
Finance costs	(1,866)	(551)	-	-	(2,417)
Interest income	74	42	-	-	116
Depreciation	(14,991)	(2,157)	-	-	(17,148)
Profit/(Loss) before taxation	<u>69,002</u>	<u>1,909</u>	<u>(456)</u>	<u>-</u>	<u>70,455</u>
Segment assets	<u>467,873</u>	<u>116,199</u>	<u>176,558</u>	<u>(176,912)</u>	<u>583,718</u>
Segment liabilities	<u>138,891</u>	<u>57,223</u>	<u>2,997</u>	<u>(2,821)</u>	<u>196,290</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**(ii) Analysis by geographical segments**

	<u>Revenue</u>		<u>Non-current Assets*</u>	
	12 months		12 months	
	ended	ended	ended	ended
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
Malaysia	135,050	110,350	91,342	92,681
Vietnam	6,006	19,374	82,401	88,829
Other Asian countries	60,626	89,499	-	-
European countries	206,322	212,936	-	-
Others	53,885	69,422	-	-
	<u>461,889</u>	<u>501,581</u>	<u>173,743</u>	<u>181,510</u>

* Non-current assets information presented excludes financial assets.

A10. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 30 June 2013.

A11. Event Subsequent to the End of the Reporting Period

In the opinion of Directors, there were no material events subsequent to the end of the current quarter.

A12. Contingent Liabilities

There were no contingent assets or contingent liabilities since the end of the last annual reporting period.

A13. Changes in Group's Composition

There were no changes in the composition of the Group during the financial year under review, other than the following:

On 28 September 2012, Chin Well Fasteners Co. Sdn. Bhd. ("CWF"), a wholly-owned subsidiary of the Company, has acquired 17,653 ordinary shares of HK\$1,000 each in Swisstec Sourcing Limited (Company No. 58535) ("Swisstec"), equivalent to 45.04% of the total issued and paid-up capital of Swisstec for a total consideration of HK\$2.

On 11 January 2013, CWF has subscribed for additional 15,560 shares of HK\$1,000 each in Swisstec, total amounted to HK\$15.56 million or equivalent to approximately USD 2.0 million. Consequently, the Group holds 50% effective equity interest in Swisstec, making it an associate.

A14. Capital Commitments

The Group has no major capital commitments as at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part B - Explanatory Notes Pursuant To Appendix 9B Of The Listing Requirements Of Bursa Malaysia Securities Berhad

B1. Performance Analysis of all Operating Segments

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
<u>Revenue - Business Segments</u>				
-- Fasteners Products	96,492	87,317	351,619	378,467
-- Wire Products	24,552	31,053	110,270	123,114
	<u>121,044</u>	<u>118,370</u>	<u>461,889</u>	<u>501,581</u>
<u>Profit/ (Loss) before taxation</u>				
-- Fasteners Products	10,818	7,979	31,116	69,002
-- Wire Products	744	3,043	1,952	1,909
-- Investment Holding	(237)	(167)	(474)	(456)
	<u>11,325</u>	<u>10,855</u>	<u>32,594</u>	<u>70,455</u>

Individual Quarter

In the current reporting quarter, the Group recorded total revenue of RM121.04 million as compared to RM118.37 million in the preceding corresponding quarter. Profit before taxation of the Group increased by RM470k in the current reporting quarter.

Fasteners Products

Fasteners Products division recorded a higher revenue by 10.51% in the current reporting quarter as compared to the corresponding quarter in the preceding financial year. This is mainly contributed by the higher export sales during the current quarter under review. Export sales, especially to European countries increased by RM11.58 million (17.92%) mainly due to the customers who had dampened their purchases in the previous year following the pro-long European debt crisis has started to replenish their stocks in the current reporting quarter.

Profit before taxation of Fastener Product division increased by 35.58% in the current reporting quarter as compared to the preceding year corresponding quarter. This was due mainly to the higher revenue and lower selling and distribution expenses recorded by certain subsidiaries within the division. However, the profit of this division has been partially impaired by sharing the loss of an associate, totalling RM206k, of which the associate has commenced business since the last quarter.

Wire Products

Wire Products division recorded a lower revenue by RM6.50 million in the current reporting quarter as compared to the corresponding quarter in the preceding financial year as lower demand from export market.

Profit before taxation dropped by RM 2.30 million in the current reporting quarter. In addition to the lower revenue generated, lower foreign exchange gain recognised in the current reporting quarter has further lowered down its profit.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Cumulative Quarter

During the current financial year to date, the Group recorded a total revenue of RM461.89 million which is 7.91% lower than the revenue recorded in the preceding corresponding financial year to date. The Group profit before taxation weakened by 53.74% to RM32.59 million for the current financial year under review.

Fasteners Products

Fasteners Products division posted a lower revenue of RM 351.62 million in the current financial year to date, a reduction of RM26.85 million as compared to the preceding corresponding financial year to date. Lower demand from foreign countries coupled with the lower selling price has squeezed down the division's profits. The profit before taxation of the division dropped by RM37.89 million to RM31.12 million in the current financial year to date. In addition, the Fasteners Products division's profit before taxation has been further lowered after sharing the loss of an associate, totalling RM559k which it has commenced business since the last quarter.

Wire Product

Wire Product division registered a lower revenue of RM110.27 million in the current financial year to date as compared to RM123.11 million in the last financial year to date. However, the Wire Product division was able to sustain its profit before taxation at RM1.95 million despite a lower revenue mainly attributable to the cost saving measures in its manufacturing as well as operation activities.

B2. Variation of Results Against Preceding Quarter

	3 months ended 30.06.13 RM'000	3 months ended 31.03.13 RM'000
<u>Revenue - Business Segments</u>		
-- Fasteners Products	96,492	89,614
-- Wire Products	24,552	25,355
	<u>121,044</u>	<u>114,969</u>
 <u>Profit/ (Loss) before taxation</u>		
-- Fasteners Products	10,818	6,350
-- Wire Products	744	1,453
-- Investment Holding	(237)	(112)
	<u>11,325</u>	<u>7,691</u>

The Group's revenue increased by 5.28% as compared to the immediate preceding quarter while its profit before taxation has increased by RM3.63 million from RM7.69 million to RM11.33 million.

Fasteners Products

Fasteners Products division posted a higher revenue of RM96.49 million as compared to RM89.61 million in the immediate preceding quarter. Demand from European countries increased as some of the customers started to replenish their stocks. The higher revenue as well as the higher foreign exchange gain has improved the performance of the division in the current quarter. The division registered a profit before taxation of RM10.82 million, representing an increase of 70.36% in the current reporting quarter. However, the share of loss of an associate recognised in the current reporting quarter, totalling RM206k has partially set off its profit before taxation.

Wire Products

Wire Products division recorded a lower revenue by 3.17% in the current reporting quarter as compared to the immediate preceding quarter. Accordingly, the profit before taxation of this division has dropped by RM 709k to RM744k in the current reporting quarter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B3. Prospects

Whilst the global economic growth remains slow, moving forward, the Group will continue to step up efforts in diversifying into new markets as well as the DIY market. The Group will also continue with ongoing efforts to raise operational efficiency and productivity to achieve the competitive edge in the challenging market environment.

Barring any unforeseen circumstances, the Group anticipates better performance and growth in the next financial year.

B4. Profit Forecast

There was no profit forecast made in any public document.

B5. Profit For The Period

Included in profit for the period are as follows:

	Current quarter RM'000	Current Year To date RM'000
Bad debts	1,357	1,777
Depreciation	4,356	16,913
Provision/(Reversal) of impairment loss on receivables	185	(78)
Interest expense	359	1,799
Interest income	(87)	(391)
Gain on disposal of property, plant and equipment	-	(24)
Property, plant and equipment written off	-	195
Unrealised (gain)/loss on foreign exchange	559	133
Realised (gain)/loss on foreign exchange	(2,894)	(5,562)

Other than the above items, there were no gain or loss on disposal of quoted or unquoted investments or properties, write off of inventories, gain or loss on derivatives as well as other exceptional items.

B6. Tax Expense

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 12 months ended	
	30.06.13 RM'000	30.06.12 RM'000	30.06.13 RM'000	30.06.12 RM'000
Malaysian income tax				
- Current tax	(1,797)	(1,308)	(6,490)	(8,214)
- Deferred tax liabilities	267	(177)	872	328
	<u>(1,530)</u>	<u>(1,485)</u>	<u>(5,618)</u>	<u>(7,886)</u>

The Group's effective tax rate for the current quarter and financial year to date under review is lower than the Malaysian statutory tax rate of 25%. This is mainly due to the utilisation of the unabsorbed tax losses brought forward by its Vietnam subsidiary.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report, except the following:

On 25 January 2013, the Company has announced the proposed acquisition of the Company by Benua Handal Sdn Bhd (“BHSB”) of an aggregate 131,781,562 ordinary shares of RM0.50 each in the Company, representing 48.35% equity interest in the Company, from parties acting in concert with BHSB (“Proposed Acquisition by BHSB”).

The Proposed Acquisition by BHSB has been granted an exemption by Securities Commission (“SC”) under paragraph 21 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 from the obligation to undertake a mandatory offer for the remaining shares in the Company not held by BHSB on the condition that SC to be informed upon completion of the Proposed Acquisitions by BHSB. The Proposed Acquisitions has been completed on 16 July 2013 and the relevant announcement has been made accordingly.

B8. Borrowings and Debt Securities

The Group’s borrowings as at 30 June 2013 were as follows:

	Denominated in USD RM’000	Denominated in RM RM’000	Total RM’000
Secured:			
Short term			
Offshore foreign currency loan	85,459	-	85,459
	85,459	-	85,459
Unsecured:			
Long term			
Loan from a corporate shareholder of a subsidiary	6,305	-	6,305
	91,764	-	91,764
	91,764	-	91,764

B9. Material Litigation

There was no material litigation during the financial year under review.

B10. Proposed Dividend

a. Dividend declared during the current reporting quarter and the corresponding quarter:

	Current Quarter	Corresponding Quarter
Interim dividend for the financial year	30 June 2013	30 June 2012
Declared and approved on	22 August 2013	28 August 2012
Entitlement date	25 September 2013	31 October 2012
Payment date	22 October 2013	22 November 2012
Dividend per share	2.0 sen	1.5sen
Dividend % (tax exempt)	4%	3%
Net dividend paid	RM 5,450,663	RM4,087,998

b. The total dividend declared for the current financial year ended 30 June 2013 is 3.0 sen (tax exempt) per ordinary share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B11. Earnings Per Share

(i) Basic earnings per share

The basic earnings per share has been calculated based on the Group's profit after taxation attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the period.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	30.06.13	30.06.12	30.06.13	30.06.12
	RM'000	RM'000	RM'000	RM'000
Profit after taxation				
Attributable to owners of the parent	8,043	8,431	22,284	47,635
Weighted average number of ordinary shares of RM0.50 each	272,533	272,533	272,533	272,533
Basic Earnings Per Share (sen)	2.95	3.09	8.18	17.48

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	2.95	3.09	8.18	17.48
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There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the current financial year ended 30 June 2013.

B12. Realised and Unrealised Profits Disclosure

	(Restated)	
	As at	As at
	30.06.13	30.6.12
	RM'000	RM'000
Total retained profits of the Company and of it subsidiaries:		
- Realised	298,486	277,576
- Unrealised	(7,924)	(7,761)
	290,562	269,815
Less: Consolidation adjustments	(76,316)	(71,040)
Total group retained earning as per consolidated accounts	214,246	198,775