



CHIN WELL HOLDINGS BERHAD

(371551-T)

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

	As at 30.09.13 RM'000	Audited As at 30.6.13 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	162,814	162,965
Investment properties	5,177	5,194
Investment in an associate	5,477	5,584
Other investment	147	142
Trade and other receivables	935	935
	<u>174,550</u>	<u>174,820</u>
Current assets		
Inventories	233,812	236,055
Trade and other receivables	92,129	106,759
Tax recoverable	1,005	916
Cash and bank balances	43,916	30,703
	<u>370,862</u>	<u>374,433</u>
TOTAL ASSETS	<u>545,412</u>	<u>549,253</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	136,267	136,267
Reserves	220,887	217,408
	<u>357,154</u>	<u>353,675</u>
Non-controlling interest	54,059	51,309
Total equity	<u>411,213</u>	<u>404,984</u>
Non-current liabilities		
Provision for retirement benefits	1,474	1,875
Borrowings	3,263	3,152
Deferred tax liabilities	9,204	9,204
	<u>13,941</u>	<u>14,231</u>
Current liabilities		
Trade and other payables	38,970	40,190
Provision for retirement benefits	870	938
Borrowings	74,421	88,611
Provision for taxation	546	299
Dividend payable	5,451	-
	<u>120,258</u>	<u>130,038</u>
Total liabilities	<u>134,199</u>	<u>144,269</u>
TOTAL EQUITY AND LIABILITIES	<u>545,412</u>	<u>549,253</u>
Net assets per share attributable to owners of the parent (RM)	1.31	1.30

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2013. 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 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Revenue	106,325	114,907	106,325	114,907
Cost of sales	<u>(90,630)</u>	<u>(101,528)</u>	<u>(90,630)</u>	<u>(101,528)</u>
Gross profit	15,695	13,379	15,695	13,379
Other income	1,512	601	1,512	601
Administrative expenses	(3,904)	(2,847)	(3,904)	(2,847)
Selling and distribution expenses	<u>(3,841)</u>	<u>(4,230)</u>	<u>(3,841)</u>	<u>(4,230)</u>
Operating profit	9,462	6,903	9,462	6,903
Finance costs	(323)	(455)	(323)	(455)
Share of loss of an associate	(107)	-	(107)	-
Profit before taxation	<u>9,032</u>	<u>6,448</u>	<u>9,032</u>	<u>6,448</u>
Taxation	<u>(1,867)</u>	<u>(1,342)</u>	<u>(1,867)</u>	<u>(1,342)</u>
Profit for the period	7,165	5,106	7,165	5,106
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences for foreign operations	<u>4,515</u>	<u>(4,357)</u>	<u>4,515</u>	<u>(4,357)</u>
Total comprehensive income for the period	<u>11,680</u>	<u>749</u>	<u>11,680</u>	<u>749</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 2013. 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 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED (CONT'D)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Owners of the parent	6,221	4,206	6,221	4,206
Non-controlling interest	<u>944</u>	<u>900</u>	<u>944</u>	<u>900</u>
	<u><u>7,165</u></u>	<u><u>5,106</u></u>	<u><u>7,165</u></u>	<u><u>5,106</u></u>
Total comprehensive income attributable to:				
Owners of the parent	8,930	1,592	8,930	1,592
Non-controlling interest	<u>2,750</u>	<u>(843)</u>	<u>2,750</u>	<u>(843)</u>
	<u><u>11,680</u></u>	<u><u>749</u></u>	<u><u>11,680</u></u>	<u><u>749</u></u>
Earnings per share attributable to owners of the parent (sen)				
- Basic/ Diluted	<u><u>2.28</u></u>	<u><u>1.54</u></u>	<u><u>2.28</u></u>	<u><u>1.54</u></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 2013. 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 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED

	----- Attributable to Owners of the Parent -----						Total Equity RM'000
	---- 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	
At 1 July 2013	136,267	2,513	783	214,112	353,675	51,309	404,984
Total comprehensive income for the period	-	-	2,709	6,221	8,930	2,750	11,680
<i>Transaction with owners:</i>							
Dividend	-	-	-	(5,451)	(5,451)	-	(5,451)
At 30 September 2013	<u>136,267</u>	<u>2,513</u>	<u>3,492</u>	<u>214,882</u>	<u>357,154</u>	<u>54,059</u>	<u>411,213</u>
At 1 July 2012	136,267	2,513	2,247	198,775	339,802	47,626	387,428
Total comprehensive income for the period	-	-	(2,614)	4,206	1,592	(843)	749
<i>Transaction with owners:</i>							
Dividend	-	-	-	(4,088)	(4,088)	-	(4,088)
At 30 September 2012	<u>136,267</u>	<u>2,513</u>	<u>(367)</u>	<u>198,893</u>	<u>337,306</u>	<u>46,783</u>	<u>384,089</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 2013. The accompanying notes are an integral part of these interim financial statements.



CHIN WELL HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED

	30.09.13 RM'000	30.09.12 RM'000
Cash flows from operating activities		
Profit before taxation	9,032	6,448
Adjustments for:		
Bad debts	-	210
Depreciation	4,327	4,055
Gain on disposal of property, plant and equipment	-	(45)
Impairment reverse on receivables	(135)	(911)
Interest expense	323	455
Interest income	(111)	(77)
Property, plant and equipment written off	-	195
Share of loss of an associate	107	-
Unrealised (gain)/loss on foreign exchange	(1,727)	381
Operating profit before working capital changes	11,816	10,711
Decrease/ (Increase) in inventories	5,041	(1,133)
Decrease in receivables	16,032	15,868
Decrease in payables	(2,093)	(10,518)
Cash from operations	30,796	14,928
Interest paid	(323)	(455)
Retirement benefits paid	(469)	-
Income tax paid	(1,717)	(2,270)
Net cash from operating activities	28,287	12,203
Cash flows from investing activities		
Interest received	111	77
Proceeds from disposal of property, plant and equipment	-	45
Purchase of property, plant and equipment	(1,264)	(2,164)
Net cash used in investing activities	(1,153)	(2,042)
Cash flows from financing activities		
Net change in borrowings	(13,989)	2,408
Net increase in cash and cash equivalents	13,145	12,569
Effect of changes in exchange rates on cash and bank balances	68	(277)
Cash and bank balances at beginning	30,703	27,703
Cash and bank balances at end	43,916	39,995

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements as at 30 June 2013. 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. Basis of Preparation

The condensed consolidated interim financial statements ("Report") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The audited financial statements of the Group for the financial year ended 30 June 2013 were prepared in accordance with MFRS. 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 2013.

A2. Significant Accounting Policies

A2.1 Adoption of MFRSs, amendments to MFRSs and IC Interpretations ("IC Int")

The following MFRSs, amendments to MFRSs and IC Interpretations have come into effective during the current financial period:

MFRSs, Amendments to MFRSs and IC Int		Effective date
MFRS 10	Consolidated Financial Statements	01/01/2013
MFRS 11	Joint Arrangements	01/01/2013
MFRS 12	Disclosure of Interests in Other Entities	01/01/2013
MFRS 13	Fair Value Measurement	01/01/2013
MFRS 119	Employee Benefits	01/01/2013
MFRS 127	Separate Financial Statements	01/01/2013
MFRS 128	Investment in Association and Joint Ventures	01/01/2013
IC Int 20	Stripping Cost in the Production of A Surface Mine	01/01/2013
Amendments to MFRS 1	First-time Adoption of Malaysia Financial Reporting Standards- Government Loans	01/01/2013
Amendments to MFRS 7	Financial Instruments: Disclosures-Offsetting Financial Assets and Financial Liabilities	01/01/2013
Amendments to MFRS10,11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	01/01/2013
	Annual Improvements 2009 - 2011 Cycle issued in July 2012	01/01/2013

The initial application of the above standards does not have any financial impacts to the Group's financial statements.

A2.2 Standards issued but not yet effective

At the date of authorisation of this Report, the following MFRSs, Amendments to MFRSs and IC Int were issued but not yet effective and have not been early applied by the Group:

MFRSs, Amendments to MFRSs and IC Int		Effective date
IC Int 21	Levies	01/01/2014
Amendments to MFRS 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities	01/01/2014
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	01/01/2014
Amendments to MFRS 136	Recoverable Amount Disclosure for Non-Financial Assets	01/01/2014
Amendments to MFRS 139	Novation of Derivatives and Continuation Hedge Accounting	01/01/2014
MFRS 7	Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures	01/01/2015
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	01/01/2015

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 2013 was not subject to any qualification.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A4. Seasonal or Cyclical Factors

The business of the Group was not affected by seasonal or cyclical factors. Factors such as world economic growth as well as the pro-long 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

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

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

There was no dividend paid during the current reporting period and previous corresponding period.

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
3 months ended 30 September 2013					
Revenue					
External revenue	87,292	19,033	-	-	106,325
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>87,292</u>	<u>19,033</u>	<u>-</u>	<u>-</u>	<u>106,325</u>
Results					
Segment profit/(loss)	13,617	89	(28)		13,678
Finance costs	(259)	(64)	-	-	(323)
Interest income	71	40	-	-	111
Depreciation	(3,769)	(558)	-	-	(4,327)
Share of loss of an associate	(107)	-	-	-	(107)
Profit/(Loss) before taxation	<u>9,553</u>	<u>(493)</u>	<u>(28)</u>	<u>-</u>	<u>9,032</u>
Segment assets	<u>453,349</u>	<u>90,381</u>	<u>1,682</u>	<u>-</u>	<u>545,412</u>
Segment liabilities	<u>97,895</u>	<u>30,625</u>	<u>5,679</u>	<u>-</u>	<u>134,199</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
3 months ended 30 September 2012					
Revenue					
External revenue	80,609	34,298	-	-	114,907
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>80,609</u>	<u>34,298</u>	<u>-</u>	<u>-</u>	<u>114,907</u>
Results					
Segment profit/(loss)	10,732	182	(33)	-	10,881
Finance costs	(292)	(163)	-	-	(455)
Interest income	39	38	-	-	77
Depreciation	(3,501)	(554)	-	-	(4,055)
Profit/(Loss) before taxation	<u>6,978</u>	<u>(497)</u>	<u>(33)</u>	<u>-</u>	<u>6,448</u>
Segment assets	<u>474,905</u>	<u>98,928</u>	<u>176,526</u>	<u>(176,862)</u>	<u>573,497</u>
Segment liabilities	<u>144,644</u>	<u>40,450</u>	<u>7,085</u>	<u>(2,771)</u>	<u>189,408</u>

(ii) Analysis by geographical segments

	Revenue		Non-current Assets*	
	3 months		3 months	
	ended 30.09.13 RM'000	ended 30.09.12 RM'000	ended 30.09.13 RM'000	ended 30.09.12 RM'000
Malaysia	27,017	35,811	89,885	92,494
Vietnam	3,127	1,355	83,583	85,463
Other Asian countries	8,836	19,536	-	-
European countries	59,089	48,291	-	-
Others	8,256	9,914	-	-
	<u>106,325</u>	<u>114,907</u>	<u>173,468</u>	<u>177,957</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 period under review.

A14. Capital Commitments

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

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		3 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
<u>Revenue - Business Segments</u>				
-- Fasteners Products	87,292	80,609	87,292	80,609
-- Wire Products	19,033	34,298	19,033	34,298
	<u>106,325</u>	<u>114,907</u>	<u>106,325</u>	<u>114,907</u>
<u>Profit/ (Loss) before taxation</u>				
-- Fasteners Products	9,553	6,978	9,553	6,978
-- Wire Products	(493)	(497)	(493)	(497)
-- Investment Holding	(28)	(33)	(28)	(33)
	<u>9,032</u>	<u>6,448</u>	<u>9,032</u>	<u>6,448</u>

Individual & Cumulative Quarter

In the current reporting quarter, the Group registered total revenue of RM106.33 million as compared to RM114.91 million in the preceding year corresponding quarter. Profit before taxation of the Group increased by 40% to RM9.03 million in the current reporting quarter.

Fasteners Products

Fasteners Products division's revenue improved by 8.3% to RM87.29 million in the current reporting quarter as compared to the preceding year corresponding quarter. This is mainly contributed by higher export sales to European countries.

Wire Products

Wire Products division recorded a revenue of RM19.03 million, lower by RM15.27 million in the current reporting quarter as compared to the corresponding quarter in the preceding financial year mainly due to the lower market demand.

Wire products division registered a loss before taxation of RM493k in the current quarter. The lower revenue did not significantly affect the result of this division as compared to the preceding year corresponding quarter mainly due to the cost saving measures implemented has reduced the production overhead as well as the administrative costs in the current

B2. Variation of Results Against Preceding Quarter

	3 months ended 30.09.13 RM'000	3 months ended 30.06.13 RM'000
<u>Revenue - Business Segments</u>		
-- Fasteners Products	87,292	96,492
-- Wire Products	19,033	24,552
	106,325	121,044
<u>Profit/ (Loss) before taxation</u>		
-- Fasteners Products	9,553	10,818
-- Wire Products	(493)	744
-- Investment Holding	(28)	(237)
	9,032	11,325

In tandem with a lower revenue, which decreased by 12.16% as compared to the immediate preceding quarter, the Group's profit before taxation has decreased by RM2.30 million from RM11.33 million to RM9.03 million.

Fasteners Products

Fasteners Products division posted a lower revenue of RM87.29 million as compared to RM96.49 million in the immediate preceding quarter. Demand from local market and other Asian countries dropped significantly in the current quarter. Despite the increased in export sales to European countries during the current quarter, it does not commensurate with the drop in local market sales. In line with the lower revenue, the division registered a profit before taxation of RM 9.55 million, representing a decrease of 11.69% in the current reporting quarter. In addition, the share of the associate's start up loss recognised in the current reporting quarter, totalling RM107k has further dampen its results.

Wire Products

Wire Products division recorded a lower revenue by 22.48% and a loss before taxation of RM493k in the current quarter as compared to the immediate preceding quarter. Stiff competition from China and lower market demand from Indonesia and India are the main factors caused the drop in its demand.

B3. Prospects

Whilst the global economic growth remains slow, 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 satisfactory performance and growth in the following reporting

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
Depreciation	4,327	4,327
Provision/(Reversal) of impairment loss on receivables	(135)	(135)
Interest expense	323	323
Interest income	(111)	(111)
Unrealised (gain)/loss on foreign exchange	(1,727)	(1,727)
Realised (gain)/loss on foreign exchange	407	407

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>		<u>Cumulative Quarter</u>	
	3 months ended		3 months ended	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current tax	(1,867)	(1,431)	(1,867)	(1,431)
- Deferred tax liabilities	-	89	-	89
	<u>(1,867)</u>	<u>(1,342)</u>	<u>(1,867)</u>	<u>(1,342)</u>

The Group's effective tax rate for the current quarter under review is lower than the Malaysian statutory tax rate of 25%. This is mainly due to the lower tax rate enjoyed by its Vietnam subsidiary.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B8. Borrowings and Debt Securities

The Group's borrowings as at 30 Sept 2013 were as follows:

	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Onshore foreign currency loans	71,154	-	71,154
Loan from a corporate shareholder of a subsidiary	<u>3,267</u>	<u>-</u>	<u>3,267</u>
	74,421	-	74,421
Unsecured:			
Long term			
Loan from a corporate shareholder of a subsidiary	<u>3,263</u>	<u>-</u>	<u>3,263</u>
	<u>77,684</u>	<u>-</u>	<u>77,684</u>

B9. Material Litigation

There was no material litigation during the financial period 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 was no dividend declared for the current financial year ending 30 June 2014.

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>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>30.09.13</u>	<u>30.09.12</u>	<u>30.09.13</u>	<u>30.09.12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit after taxation				
Attributable to owners of the parent	6,221	4,206	6,221	4,206
Weighted average number of ordinary shares of RM0.50 each	272,533	272,533	272,533	272,533
Basic Earnings Per Share (sen)	2.28	1.54	2.28	1.54

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	2.28	1.54	2.28	1.54
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There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the

B12. Realised and Unrealised Profits Disclosure

	(Audited)	
	As at	As at
	30.09.13	30.6.13
	RM'000	RM'000
Total retained profits of the Company and of its subsidiaries:		
- Realised	304,362	302,885
- Unrealised	(7,477)	(7,821)
Total share of accumulated losses of an associate	296,885	295,064
Less: Consolidation adjustments	(666)	(559)
Less: Consolidation adjustments	(81,337)	(80,393)
Total group retained earning as per consolidated accounts	214,882	214,112