



# CHIN WELL HOLDINGS BERHAD

(371551-T)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015 - UNAUDITED

	Unaudited As at 31.03.15 RM'000	Audited As at 30.06.14 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	160,502	155,221
Investment properties	5,077	5,127
Other investment	164	144
	<u>165,743</u>	<u>160,492</u>
<b>Current assets</b>		
Inventories	232,425	227,064
Trade and other receivables	110,933	118,651
Current tax assets	242	57
Cash and bank balances	51,904	47,934
	<u>395,504</u>	<u>393,706</u>
Non-current asset held for sale	-	2,541
	<u>395,504</u>	<u>396,247</u>
<b>TOTAL ASSETS</b>	<b><u>561,247</u></b>	<b><u>556,739</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	149,767	136,267
Reserves	283,328	242,917
	<u>433,095</u>	<u>379,184</u>
Non-controlling interest	-	60,420
<b>Total equity</b>	<b><u>433,095</u></b>	<b><u>439,604</u></b>
<b>Non-current liabilities</b>		
Provision for retirement benefits	16	921
Other payable	19,261	-
Deferred tax liabilities	8,230	8,717
	<u>27,507</u>	<u>9,638</u>
<b>Current liabilities</b>		
Trade and other payables	47,681	30,723
Provision for retirement benefits	913	916
Borrowings	44,868	73,138
Dividend payable	5,991	-
Current tax liabilities	1,192	2,720
	<u>100,645</u>	<u>107,497</u>
<b>Total liabilities</b>	<b><u>128,152</u></b>	<b><u>117,135</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>561,247</u></b>	<b><u>556,739</u></b>
Net assets per share attributable to owners of the Company (RM)	1.45	1.39

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2014. 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 9 MONTHS PERIOD ENDED 31 MAR 2015 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.03.15 RM'000	31.03.14 RM'000	31.03.15 RM'000	31.03.14 RM'000
Revenue	119,635	130,763	372,887	356,954
Cost of sales	<u>(97,282)</u>	<u>(109,281)</u>	<u>(307,417)</u>	<u>(302,119)</u>
<b>Gross profit</b>	22,353	21,482	65,470	54,835
Other income	2,376	166	4,998	3,157
Administrative expenses	(5,406)	(4,593)	(13,647)	(11,524)
Selling and distribution expenses	<u>(4,628)</u>	<u>(5,196)</u>	<u>(13,325)</u>	<u>(14,089)</u>
<b>Operating profit</b>	14,695	11,859	43,496	32,379
Finance costs	(209)	(274)	(703)	(866)
Share of loss of an associate	<u>-</u>	<u>(281)</u>	<u>-</u>	<u>(709)</u>
<b>Profit before tax</b>	14,486	11,304	42,793	30,804
Tax expense	<u>(2,442)</u>	<u>(2,393)</u>	<u>(5,835)</u>	<u>(6,240)</u>
<b>Profit for the period</b>	12,044	8,911	36,958	24,564
<b>Other comprehensive income, net of tax</b>				
<b>Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	<u>13,484</u>	<u>(479)</u>	<u>27,306</u>	<u>4,959</u>
<b>Total comprehensive income for the period</b>	<u>25,528</u>	<u>8,432</u>	<u>64,264</u>	<u>29,523</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2014. 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 9 MONTHS PERIOD ENDED 31 MAR 2015 - UNAUDITED (CONT'D)

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.03.15	31.03.14	31.03.15	31.03.14
	RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>				
Owners of the Company	10,950	7,124	28,240	20,375
Non-controlling interest	<u>1,094</u>	<u>1,787</u>	<u>8,718</u>	<u>4,189</u>
	<u>12,044</u>	<u>8,911</u>	<u>36,958</u>	<u>24,564</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	20,789	6,836	46,374	23,350
Non-controlling interest	<u>4,739</u>	<u>1,596</u>	<u>17,890</u>	<u>6,173</u>
	<u>25,528</u>	<u>8,432</u>	<u>64,264</u>	<u>29,523</u>
<b>Earnings per share attributable to owners of the Company (sen)</b>				
- Basic/ Diluted	<u>3.94</u>	<u>2.61</u>	<u>10.16</u>	<u>7.48</u>

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2014. The accompanying notes are an integral part of these interim financial statements.



# CHIN WELL HOLDINGS BERHAD

(371551-T)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 9 MONTHS PERIOD ENDED 31 MAR 2015 - UNAUDITED

	----- Attributable to Owners of the Company -----							Non-controlling Interest RM'000	Total Equity RM'000
	----- Non-distributable -----			Distributable					
	Share Capital RM'000	Share Premium RM'000	Foreign Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Total RM'000			
<b>At 1 July 2014</b>	136,267	2,513	1,348	-	239,056	379,184	60,420	439,604	
Foreign exchange differences on translation	-	-	18,134	-	-	18,134	9,172	27,306	
Profit for the period	-	-	-	-	28,240	28,240	8,718	36,958	
Total comprehensive income for the period	-	-	18,134	-	28,240	46,374	17,890	64,264	
<b>Transaction with owners:</b>									
Dividends	-	-	-	-	(13,704)	(13,704)	-	(13,704)	
Issuance of shares	13,500	25,650	-	-	-	39,150	-	39,150	
Premium paid on acquisition of non-controlling interest	-	-	-	(19,134)	-	(19,134)	-	(19,134)	
Changes in ownership interest in a subsidiary	-	-	1,225	-	-	1,225	(78,310)	(77,085)	
Total transactions with owners	13,500	25,650	1,225	(19,134)	(13,704)	7,537	(78,310)	(70,773)	
<b>At 31 Mar 2015</b>	149,767	28,163	20,707	(19,134)	253,592	433,095	-	433,095	
<b>At 1 July 2013</b>	136,267	2,513	783	-	214,112	353,675	51,309	404,984	
Foreign exchange differences on translation	-	-	2,975	-	-	2,975	1,984	4,959	
Profit for the period	-	-	-	-	20,375	20,375	4,189	24,564	
Total comprehensive income for the period	-	-	2,975	-	20,375	23,350	6,173	29,523	
<b>Transaction with owners:</b>									
Dividend	-	-	-	-	(10,902)	(10,902)	-	(10,902)	
<b>At 31 Mar 2014</b>	136,267	2,513	3,758	-	223,585	366,123	57,482	423,605	

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2014. The accompanying notes are an integral part of these interim financial statements.



# CHIN WELL HOLDINGS BERHAD

(371551-T)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 9 MONTHS PERIOD ENDED 31 MAR 2015 - UNAUDITED

	31.03.15 RM'000	31.03.14 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	42,793	30,804
Adjustments for:		
Bad debts	10	-
Depreciation	12,867	13,054
Gain on disposal of property, plant and equipment	(126)	-
Impairment loss on receivables reversed	(227)	(5)
Interest expense	703	866
Interest income	(908)	(396)
Share of loss of an associate	-	709
Unrealised gain on foreign exchange	(2,457)	(526)
Operating profit before working capital changes	52,655	44,506
Increase in inventories	5,882	36,574
Decrease/(Increase) in receivables	17,445	(17,322)
Increase in payables	(11,008)	(10,063)
Cash from operations	64,974	53,695
Interest paid	(703)	(866)
Income tax paid	(8,120)	(5,204)
Retirement benefits paid	(908)	(959)
Net cash from operating activities	55,243	46,666
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary	(8,310)	-
Interest received	908	396
Proceeds from disposal of non-current asset held for sale	2,541	-
Proceeds from disposal of property, plant and equipment	459	-
Purchase of property, plant and equipment	(8,106)	(3,009)
Net cash used in investing activities	(12,508)	(2,613)
<b>Cash flows from financing activities</b>		
Dividend paid	(7,713)	(5,451)
Net change in borrowings	(33,802)	(26,067)
Net cash used in investing activities	(41,515)	(31,518)
<b>Net increase in cash and bank balances</b>	1,220	12,535
<b>Effect of changes in exchange rate on cash and bank balances</b>	2,750	78
<b>Cash and bank balances at beginning</b>	47,934	30,703
<b>Cash and bank balances at end</b>	51,904	43,316

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 30 June 2014. 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 2014 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 2014.

#### 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 effect during the current financial year:

MFRSs, Amendments to MFRSs and IC Int		Effective date
IC Int 21	<i>Levies</i>	01/01/2014
Amendments to MFRS 10, 12 and 127	<i>Investment Entities</i>	01/01/2014
Amendments to MFRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>	01/01/2014
Amendments to MFRS 136	<i>Recoverable Amount Disclosure for Non-Financial Assets</i>	01/01/2014
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation Hedge Accounting</i>	01/01/2014
Amendments to MFRS 119	<i>Defined Benefit Plans: Employee Contributions</i>	01/07/2014
Amendments to MFRSs	<i>Annual improvements to MFRSs 2010-2012 Cycle</i>	01/07/2014
Amendments to MFRSs	<i>Annual improvements to MFRSs 2011-2013 Cycle</i>	01/07/2014

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
MFRS 14	<i>Regulatory Deferral Accounts</i>	01/01/2016
Amendments to MFRS 101 MFR 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>	01/01/2016
Amendments to MFRS 10 MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	01/01/2016
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>	01/01/2016
Amendments to MFRS 101	<i>Disclosure Initiative</i>	01/01/2016
Amendments to MFRS 116 and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	01/01/2016
Amendments to MFRS 116 and MFRS 141	<i>Agriculture: Bearer Plants</i>	01/01/2016
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>	01/01/2016
Amendments to MFRS MFRS 15	<i>Annual improvements to MFRSs 2012-2014 Cycle</i> <i>Revenue from Contracts With Customers</i>	01/01/2016 01/01/2017
MFRS 9	<i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	01/01/2018
Amendments to MFRS 7	<i>Mandatory Date of MFRS 9 and Transition Disclosures</i>	01/01/2018

#### 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 2014 was not subject to any qualification.

#### A4. Seasonal or Cyclical Factors

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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The business of the Group was not affected by seasonal or cyclical factors. Factors such as world economic growth might have implication on the Group's revenues.

### A5. Unusual Items

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

### A7. Debt and Equity Securities

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period, other than the issuance of 27,000,000 ordinary shares of RM0.50 each at an issue price of RM1.45 per ordinary share pursuant to the Share Purchase Agreement as disclosed in **Note A13**.

### A8. Dividend Paid

The following dividends were paid during the current reporting period and previous corresponding period:

	Financial period ended 31.3.15 RM
Second interim single tier dividend paid on 21 Oct 2014 for the financial year ended 30 June 2014 - 2.83 sen per ordinary share	<u>7,712,689</u>
	Financial period ended 31.3.14 RM
Second interim tax exempted dividend paid on 22 Oct 2013 for the financial year ended 30 June 2013 - 2.0 sen per ordinary share	<u>5,450,663</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**

	<b>Fastener Products RM'000</b>	<b>Wire Products RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination/ Adjustment RM'000</b>	<b>Group RM'000</b>
<b>9 months ended 31 March 2015</b>					
<b>Revenue</b>					
External revenue	308,471	64,416	-	-	372,887
Inter-segment revenue	-	12	25,010	(25,022)	-
Total revenue	<u>308,471</u>	<u>64,428</u>	<u>25,010</u>	<u>(25,022)</u>	<u>372,887</u>
<b>Results</b>					
Segment profit/(loss)	50,082	4,904	(270)	-	54,716
Finance costs	(591)	(112)	-	-	(703)
Interest income	766	142	-	-	908
Unwind discount from financial liability	-	-	739	-	739
Depreciation	(11,077)	(1,790)	-	-	(12,867)
Profit before tax	<u>39,180</u>	<u>3,144</u>	<u>469</u>	<u>-</u>	<u>42,793</u>
<b>Segment assets</b>	<u>484,048</u>	<u>76,761</u>	<u>358,770</u>	<u>(358,332)</u>	<u>561,247</u>
<b>Segment liabilities</b>	<u>75,321</u>	<u>12,548</u>	<u>91,342</u>	<u>(51,059)</u>	<u>128,152</u>
<b>9 months ended 31 Mar 2014</b>					
<b>Revenue</b>					
External revenue	297,970	58,984	-	-	356,954
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>297,970</u>	<u>58,984</u>	<u>-</u>	<u>-</u>	<u>356,954</u>
<b>Results</b>					
Segment profit/(loss)	43,433	1,811	(207)	-	45,037
Finance costs	(714)	(152)	-	-	(866)
Interest income	287	109	-	-	396
Depreciation	(11,395)	(1,659)	-	-	(13,054)
Share of loss of an associate	(709)	-	-	-	(709)
Profit/(Loss) before tax	<u>30,902</u>	<u>109</u>	<u>(207)</u>	<u>-</u>	<u>30,804</u>
<b>Segment assets</b>	<u>464,788</u>	<u>74,533</u>	<u>217,268</u>	<u>(217,527)</u>	<u>539,062</u>
<b>Segment liabilities</b>	<u>97,767</u>	<u>14,174</u>	<u>5,452</u>	<u>(1,936)</u>	<u>115,457</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**(ii) Analysis by geographical segments**

	<u>Revenue</u>		<u>Non-current Assets*</u>	
	9 months		9 months	
	ended	ended	ended	ended
	31.03.15	31.03.14	31.03.15	31.03.14
	RM'000	RM'000	RM'000	RM'000
Malaysia	69,665	85,311	83,853	85,925
Vietnam	13,147	10,250	81,726	80,210
Other Asian countries	29,308	29,793	-	-
European countries	214,378	203,536	-	-
Others	46,389	28,064	-	-
	<u>372,887</u>	<u>356,954</u>	<u>165,579</u>	<u>166,135</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 2014.

**A11. Event Subsequent to the End of the Reporting Period**

There were no other material events subsequent to the end of the current reporting period.

**A12. Contingencies**

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, other than the following:

On 5 November 2014, the Company entered into a conditional Share Purchase Agreement ("SPA") for the proposed acquisition of two ordinary shares of USD1.00 each in Asia Angel Holdings Limited (Asia Angel), representing 100% of the issued and paid up share capital of Asia Angel for a purchase consideration of RM47.46 million to be fully satisfied via a combination of the issuance of 27,000,000 ordinary shares of RM0.50 each in the Company at an issue price of RM1.45 per share with the remaining balance via cash amounting to RM8.31million.

The approval from Bursa for the listing of share consideration was obtained on 19 January 2015. The precedent conditions as stated in the Share Purchase Agreement of the acquisition was fulfilled on the 29 January 2015 and the consideration shares were listed on 4 February 2015.

Upon completion of the acquisition on 4 February 2015, both Asia Angel and Chin Well Fasterners (Vietnam) Co. Ltd, which is 40% owned by Asia Angel, became wholly-owned subsidiaries of the Company.

**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		9 months ended	
	31.3.15 RM'000	31.3.14 RM'000	31.3.15 RM'000	31.3.14 RM'000
<u>Revenue - Business Segments</u>				
-- Fasteners Products	93,674	108,780	308,471	297,970
-- Wire Products	25,961	21,983	64,416	58,984
	119,635	130,763	372,887	356,954
	-	-	-	-
<u>Profit before tax</u>				
-- Fasteners Products	11,726	10,959	39,180	30,902
-- Wire Products	2,175	424	3,144	109
-- Investment Holding	585	(79)	469	(207)
	14,486	11,304	42,793	30,804
	-	-	-	-

#### Individual Quarter

During the current quarter under review, the Group recorded total revenue and total profit before tax of RM119.64 million and RM14.49 million respectively.

#### *Fasteners Products*

Fasteners Products posted a revenue of RM93.67 million and profit before tax of RM11.73 million respectively in the current reporting quarter as compared to the preceding year corresponding quarter. The market in Europe as well as in Malaysia had slowed down in the current quarter. Some of the local traders were clearing their inventories on hand and had temporarily on-hold their new orders prior to the implementation of the GST effective 1 April 2015. However, the sale of product mix such as DIY products managed to generate higher margin and contributed to the higher profit before tax in this division by 7% in the current reporting quarter.

#### *Wire Products*

Panel fence, the newly produced high margin wire product since last quarter, has continuously contributed positively to the Wire Product division. Wire Product recorded a revenue of RM25.96 million, an increase of 18.1% in the current quarter as compared to the preceding year corresponding quarter. In tandem with the higher sales, its profit before tax had increased by RM1.75 million to RM2.18 million in the current quarter.

#### Cumulative Quarter

The Group recorded a total revenue of RM 372.89 million and profit before tax of RM 42.79 million in the current reporting period to date. Higher revenue has resulted in a higher profit before tax during the financial period under review, with an increase of approximately 38.92% from RM30.80 million to RM42.79 million.

#### *Fasteners Products*

In the current financial period, the total revenue of Fasteners Products increased by 3.52% to RM308.47 million. This is mainly generated by our Vietnam subsidiary, whereby its revenue increased as a result of higher demand in the European countries and United States. The performance of the division improved simultaneously with higher profit before tax of RM39.18 million in the current reporting period to date as compared to RM30.90 million in the corresponding reporting period to date. In addition to the higher sales, the sale of product mix with better margin is the main contributor to the more favourable results of this division in the current reporting period to date.

#### *Wire Product*

The performance of the Wire Product showed an improvement mainly after the introduction of its new product, panel fence, into the market since last quarter. The division recorded a total revenue of RM64.42 million and profit before tax of RM3.14 million in the current financial period to date. In the preceding corresponding financial period to date, the total revenue and the profit before tax of the division stood at RM58.98 million and RM0.11 million respectively.

**B2. Variation of Results Against Preceding Quarter**

	<b>3 months ended 31.3.15 RM'000</b>	<b>3 months ended 31.12.14 RM'000 ok</b>
<u>Revenue - Business Segments</u>		
-- Fasteners Products	93,674	108,365
-- Wire Products	25,961	17,370
	119,635	125,735
<u>Profit before tax</u>		
-- Fasteners Products	11,726	12,839
-- Wire Products	2,175	557
-- Investment Holding	585	(91)
	14,486	13,305

The Group achieved a total revenue of RM119.64 million and profit before tax of RM14.49 million in the current quarter under review.

**Fasteners Products**

The revenue in Fastener division dropped by 13.56% to RM93.67 million in the current quarter as compared to the immediate preceding quarter. Export sales especially to European market had reduced in the current quarter. In addition, the demand from local market slowed down in the current quarter as some of the traders were clearing their inventories and had temporarily on-hold new orders prior to the implementation of GST effective 1 April 2015. In line with the lower revenue, the profit before tax of the division had dropped by 9% to RM11.73 million in the current quarter as compared to the immediate preceding quarter.

**Wire Products**

Wire Products division recorded a revenue of RM25.97 million and profit before tax of RM2.18 million in current quarter representing an increase of 49.46% in its revenue and 290.48% in its profit before tax respectively as compared to the immediate preceding quarter. In addition to the sales of panel fence, export sales of other wire products had also increased in the current quarter.

**B3. Prospects**

The outlook for global political and economic condition is uncertain and the Group will continue with ongoing efforts to raise operational efficiency and productivity so as to further enhance its competitive edge in this challenging market environment.

The Group intends to expand its Do-It-Yourself (DIY) retailer distribution network which will generate higher margin to the Group.

Barring any unforeseen circumstances, the Group anticipates satisfactory performance and growth in the final quarter of the 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:

	<b>Current quarter RM'000</b>	<b>Current Year To date RM'000</b>
Depreciation	4,211	12,867
Impairment loss on receivables reversed	(373)	(227)
Interest expense	209	703
Interest income	(444)	(908)
Gain on disposal of property, plant and equipment	(78)	(126)
Unrealised gain on foreign exchange	(2,109)	(2,457)
Realised loss on foreign exchange	2,026	1,379

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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**B6. Tax Expense**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		9 months ended	
	31.3.15RM'000	31.3.14RM'000	31.3.15 RM'000	31.3.14 RM'000
Malaysian income tax				
- Current tax	(2,875)	(2,593)	(6,322)	(6,840)
- Deferred tax liabilities	433	200	487	600
	<u>(2,442)</u>	<u>(2,393)</u>	<u>(5,835)</u>	<u>(6,240)</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 our Vietnam subsidiary.

**B7. Status of Corporate Proposals**

There were no corporate proposals announced but not yet completed as at the date of this report. The acquisition of Asia Angel Holdings Limited by the Company had been completed on 29 January 2015 which can be referred to Bursa's announcement dated 4 February 2015 for further details.

**B8. Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2015 were as follows:

	<b>Denominated in USD RM'000</b>	<b>Denominated in RM RM'000</b>	<b>Total RM'000</b>
<b>Secured:</b>			
<b>Short term</b>			
Onshore foreign currency loans	<u>44,868</u>	<u>-</u>	<u>44,868</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:**

	<b>Current Quarter</b>	<b>Corresponding Quarter</b>
Interim dividend for the financial year	30.6.2015	30.6.2014
Declared and approved on	26.2.2015	20.2.2014
Entitlement date	31.3.2015	24.3.2014
Payment date	24.4.2015	21.4.2014
Dividend per share	2 sen	2 sen
Dividend % (Single Tier)	4%	4%
Net dividend payable	RM5,990,663	RM5,450,663

**b. The total dividend declared for the current financial year ending 30 June 2015 is 2.0 sen (single tier) per ordinary share. This is inclusive of the shortfall in dividend payout in respect of FY2014.**

In respect of FY 2014, the Company has paid the total dividend of RM13.16 million, translating to 36.72% of the Group's net profit in FY2014 and constituting less than the Company's 40% dividend policy.

**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 tax attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the year.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>31.3.15</u>	<u>31.3.14</u>	<u>31.3.15</u>	<u>31.3.14</u>
Profit after tax				
Attributable to owners of the Company (RM'000)	10,950	7,124	28,240	20,375
Weighted average number of ordinary shares of RM0.50 each ('000)	278,051	272,533	278,051	272,533
Basic Earnings Per Share (sen)	3.94	2.61	10.16	7.48

**(ii) Diluted Earnings Per Share**

Diluted Earnings Per Share (sen)	3.94	2.61	10.16	7.48
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There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the reporting date.

**B12. Realised and Unrealised Profits Disclosure**

	<u>As at</u>	<u>(Audited)</u>
	<u>31.03.15</u>	<u>As at</u>
	<u>RM'000</u>	<u>30.6.14</u>
		<u>RM'000</u>
Total retained profits of the Company and of it subsidiaries:		
- Realised	358,846	336,123
- Unrealised	(5,773)	(7,859)
	353,073	328,264
Total share of accumulated losses of an associate	-	(1,268)
Less: Consolidation adjustments	(99,481)	(87,940)
Total retained profits	253,592	239,056