



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016 - UNAUDITED

	Unaudited	Audited
	As at	As at
	30.09.16	30.06.16
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	152,572	152,958
Investment properties	4,976	4,992
Other investment	177	172
	<u>157,725</u>	<u>158,122</u>
Current assets		
Inventories	197,588	195,430
Trade and other receivables	127,266	122,223
Current tax assets	2,134	1,749
Cash and bank balances	131,657	132,962
	<u>458,645</u>	<u>452,364</u>
TOTAL ASSETS	<u>616,370</u>	<u>610,486</u>
EQUITY AND LIABILITIES		
Share capital	149,767	149,767
Reserves	352,048	345,950
Total equity	<u>501,815</u>	<u>495,717</u>
Non-current liabilities		
Deferred tax liabilities	8,475	8,475
Current liabilities		
Trade and other payables	44,536	44,459
Dividend payable	13,479	-
Borrowings	48,065	60,344
Current tax liabilities	-	1,491
	<u>106,080</u>	<u>106,294</u>
Total liabilities	<u>114,555</u>	<u>114,769</u>
TOTAL EQUITY AND LIABILITIES	<u>616,370</u>	<u>610,486</u>
Net assets per share (RM)	1.68	1.65

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 2016. 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 2016 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.09.16 RM'000	30.09.15 RM'000	30.09.16 RM'000	30.09.15 RM'000
Revenue	113,309	140,627	113,309	140,627
Cost of sales	<u>(92,417)</u>	<u>(116,788)</u>	<u>(92,417)</u>	<u>(116,788)</u>
Gross profit	20,892	23,839	20,892	23,839
Other income	2,320	5,841	2,320	5,841
Administrative expenses	(3,770)	(3,958)	(3,770)	(3,958)
Selling and distribution expenses	<u>(3,983)</u>	<u>(3,597)</u>	<u>(3,983)</u>	<u>(3,597)</u>
Operating profit	15,459	22,125	15,459	22,125
Finance costs	<u>(253)</u>	<u>(298)</u>	<u>(253)</u>	<u>(298)</u>
Profit before tax	15,206	21,827	15,206	21,827
Tax expense	<u>(2,343)</u>	<u>(3,647)</u>	<u>(2,343)</u>	<u>(3,647)</u>
Profit for the financial period	12,863	18,180	12,863	18,180
Other comprehensive income, net of tax				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	<u>6,714</u>	<u>29,804</u>	<u>6,714</u>	<u>29,804</u>
Total comprehensive income for the financial period attributable to owners of the Company	<u>19,577</u>	<u>47,984</u>	<u>19,577</u>	<u>47,984</u>
Earnings per share (sen):				
- Basic/Diluted	<u>4.29</u>	<u>6.07</u>	<u>4.29</u>	<u>6.07</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 2016. 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 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2016 - UNAUDITED

	--- Non-distributable ---			Distributable	
	Share Capital RM'000	Share Premium RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 July 2016	149,767	28,163	30,948	286,839	495,717
Foreign exchange differences on translation	-	-	6,714	-	6,714
Profit for the financial period	-	-	-	12,863	12,863
Total comprehensive income for the financial period	-	-	6,714	12,863	19,577
Transaction with owners:					
Dividend	-	-	-	(13,479)	(13,479)
At 30 Sept 2016	149,767	28,163	37,662	286,223	501,815
At 1 July 2015	149,767	28,163	23,115	246,953	447,998
Foreign exchange differences on translation	-	-	29,804	-	29,804
Profit for the financial period	-	-	-	18,180	18,180
Total comprehensive income for the financial period	-	-	29,804	18,180	47,984
Transaction with owners:					
Dividend	-	-	-	(11,502)	(11,502)
At 30 Sept 2015	149,767	28,163	52,919	253,631	484,480

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 2016. 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 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2016 - UNAUDITED

	30.09.16	30.09.15
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	15,206	21,827
Adjustments for:		
Depreciation	4,660	5,033
Impairment loss reverse on receivables	(31)	(6)
Interest expense	253	113
Interest income	(471)	(482)
Reversal effect on discounting of non-current payable	-	185
Unrealised gain on foreign exchange	(771)	(1,875)
Operating profit before working capital changes	18,846	24,795
Decrease in inventories	218	4,267
Increase in receivables	(3,088)	(606)
(Decrease)/Increase in payables	(300)	3,204
Cash from operation	15,676	31,660
Interest paid	(253)	(113)
Income tax paid	(4,241)	(2,914)
Retirement benefits paid	-	(457)
Net cash from operating activities	11,182	28,176
Cash flows from investing activities		
Interest received	471	482
Purchase of property, plant and equipment	(1,957)	(2,322)
Net cash used in investing activities	(1,486)	(1,840)
Cash flows from financing activities		
Net change in borrowings	(12,876)	3,946
Net cash (used in)/from cash and bank balances	(3,180)	30,282
Effect of changes in exchange rate on cash and bank balances	1,875	5,897
Cash and bank balances at beginning	132,962	55,163
Cash and bank balances at end	131,657	91,342

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 2016. The accompanying notes are an integral part of these interim financial statements.



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 2016 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 2016.

A2. Significant Accounting Policies

A2.1 Adoption of MFRS and amendments to MFRS

The following MFRS and amendments to MFRS have come into effect during the current financial year:

Effective for annual periods beginning on or after 1 January 2016

MFRS 14 Regulatory

Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101 Disclosure Initiative

Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

Amendments to MFRS 127 Equity Method in Separate Financial Statements

Annual Improvements to MFRS 2012–2014 Cycle

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 standards were issued but not yet effective and have not been early applied by the Group:

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 2 Classification

and Measurement of Share-based Payment Transactions

Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Effective date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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 2016 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

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 revenue.

A5. Unusual Items

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period under review.

A8. Dividend Paid

There was no dividend paid during the current financial period under review 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 Sept 2016					
Revenue					
External revenue	96,829	16,480	-	-	113,309
Inter-segment revenue	-	-	11,476	(11,476)	-
Total revenue	<u>96,829</u>	<u>16,480</u>	<u>11,476</u>	<u>(11,476)</u>	<u>113,309</u>
Results					
Segment profit	17,490	2,195	11,439	(11,476)	19,648
Finance costs	(229)	(24)	-	-	(253)
Interest income	437	24	10	-	471
Depreciation	(4,088)	(572)	-	-	(4,660)
Profit before tax	<u>13,610</u>	<u>1,623</u>	<u>11,449</u>	<u>(11,476)</u>	<u>15,206</u>
Segment assets	<u>524,312</u>	<u>90,780</u>	<u>326,106</u>	<u>(324,828)</u>	<u>616,370</u>
Segment liabilities	<u>62,045</u>	<u>19,504</u>	<u>33,743</u>	<u>(737)</u>	<u>114,555</u>
3 months ended 30 Sept 2015					
Revenue					
External revenue	119,878	20,749	-	-	140,627
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>119,878</u>	<u>20,749</u>	<u>-</u>	<u>-</u>	<u>140,627</u>
Results					
Segment profit	23,932	2,776	(32)	-	26,676
Finance costs	(87)	(26)	(185)	-	(298)
Interest income	450	32	-	-	482
Unwind discount from financial liability	-	-	-	-	-
Depreciation	(4,345)	(688)	-	-	(5,033)
Profit before tax	<u>19,950</u>	<u>2,094</u>	<u>(217)</u>	<u>-</u>	<u>21,827</u>
Segment assets	<u>552,696</u>	<u>79,457</u>	<u>358,397</u>	<u>(358,336)</u>	<u>632,214</u>
Segment liabilities	<u>87,891</u>	<u>14,066</u>	<u>107,177</u>	<u>(61,401)</u>	<u>147,733</u>

(ii) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current Assets*</u>	
	<u>3 months</u>		<u>3 months</u>	
	<u>ended</u>	<u>ended</u>	<u>ended</u>	<u>ended</u>
	<u>30.09.16</u>	<u>30.09.15</u>	<u>30.09.16</u>	<u>30.09.15</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	41,657	43,674	80,890	82,378
Vietnam	3,146	3,274	76,658	92,088
Other Asian countries	9,216	6,730	-	-
European countries	54,228	76,541	-	-
Others	5,062	10,408	-	-
	<u>113,309</u>	<u>140,627</u>	<u>157,548</u>	<u>174,466</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 2016.

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.

A14. Capital Commitments

The Group has no major capital commitments as at the end of the reporting period except the following:

Contracted but not provided for:	RM'000
- Property, plant and equipment	<u>5,376</u>

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		3 months ended	
	31.09.16	30.09.15	30.09.16	30.09.15
	RM'000	RM'000	RM'000	RM'000
<u>Revenue - Business Segments</u>				
-- Fasteners Products	96,829	119,878	96,829	119,878
-- Wire Products	16,480	20,749	16,480	20,749
	<u>113,309</u>	<u>140,627</u>	<u>113,309</u>	<u>140,627</u>
<u>Profit/(Loss) before tax</u>				
-- Fasteners Products	13,610	19,950	13,610	19,950
-- Wire Products	1,623	2,094	1,623	2,094
-- Investment Holding	(27)	(217)	(27)	(217)
	<u>15,206</u>	<u>21,827</u>	<u>15,206</u>	<u>21,827</u>

Individual Quarter & Cumulative Quarter

During the current quarter under review, the Group recorded total revenue and total profit before tax of RM113.31 million and RM15.21 million respectively.

Fasteners Products

Fasteners Products posted a revenue of RM96.83 million and profit before tax of RM13.61 million respectively in the current reporting quarter. Revenue in the current quarter had dropped about 19.23% as compared to the preceding year corresponding quarter mainly due to lower demand from overseas especially European countries. The lower revenue, in couple with lower forex gain recognised had resulted in lower profit before tax for the current quarter .

Wire Products

Wire division recorded a total revenue of RM16.48 million which represents an decrease of 20.57% in its turnover. In line with the lower demand, the profit before tax had also decreased to RM1.62 million as compared to the preceding year corresponding quarter.

B2. Variation of Results Against Preceding Quarter

	3 months ended	3 months ended
	30.09.16	30.06.16
	RM'000	RM'000
<u>Revenue - Business Segments</u>		
-- Fasteners Products	96,829	106,196
-- Wire Products	16,480	27,149
	<u>113,309</u>	<u>133,345</u>
<u>Profit/(Loss) before tax</u>		
-- Fasteners Products	13,610	15,944
-- Wire Products	1,623	1,531
-- Investment Holding	(27)	(595)
	<u>15,206</u>	<u>16,880</u>

The Group posted a total revenue of RM113.31 million and profit before tax of RM15.21 million in the current quarter under review.

Fasteners Products

The revenue in Fastener division decreased by 8.82% to RM96.83 million in the current quarter as compared to the immediate preceding quarter. Lower demand in European market is the main factor caused the drop in revenue and profit before tax in the current reporting quarter.

Wire Products

Wire Products division recorded a revenue of RM16.48 million and profit before tax of RM1.62 million during the current quarter. This represents a decrease of 39.30% in its revenue and a 6.01% higher in its profit before tax. The fluctuation of the profit margin is mainly due to the product mixed and reduction in selling expenses.

B3. Prospects

The outlook for global political and economic condition remains 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. In addition, the Group will explore other new business ventures which will potentially benefit to the growth of the Group.

Barring any unforeseen circumstances, the Group anticipates satisfactory performance and growth in the remaining quarters of the year.

B4. Profit Forecast

There was no profit forecast made in any public document.

B5. Profit For The Period

Included in profit for the reporting period are as follows:

	Current quarter RM'000	Current Year To date RM'000
Depreciation	4,660	4,660
Impairment loss on receivables charged/(reversed)	(31)	(31)
Interest expense	253	253
Interest income	(471)	(471)
Unrealised loss/(gain) on foreign exchange	(771)	(771)
Realised gain on foreign exchange	(972)	(972)

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

B6. Tax Expense

	<u>Individual Quarter</u> 3 months ended		<u>Cumulative Quarter</u> 3 months ended	
	31.09.16	30.09.15	30.09.16	30.09.15
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current tax	(2,343)	(3,641)	(2,343)	(3,641)
- Deferred tax liabilities	-	(6)	-	(6)
	<u>(2,343)</u>	<u>(3,647)</u>	<u>(2,343)</u>	<u>(3,647)</u>

The Group's effective tax rate for the current quarter and financial year under review is lower than the Malaysian statutory tax rate of 24%. 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.

B8. Borrowings and Debt Securities

The Group's borrowings as at 30 Sept 2016 were as follows:

	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	8,402	8,402
Onshore foreign currency loans	39,663	-	39,663
	<u>39,663</u>	<u>8,402</u>	<u>48,065</u>

B9. Material Litigation

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

B11. Proposed Dividend

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

	Current Quarter	Corresponding Quarter
Interim dividend for the financial year	30.6.2016	30.6.2015
Declared and approved on	25.8.2016	27.8.2015
Entitlement date	28.10.2016	30.10.2015
Payment date	18.11.2016	23.11.2015
Dividend per share	4.50 sen	3.84 sen
Dividend % (Single Tier)	9.00%	7.68%
Net dividend payable	RM13,478,993	RM11,502,074

b. There is no dividend declared for the current financial year ended 30 June 2017.

B12. 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 financial period.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended		3 months ended	
	30.09.16	30.09.15	30.09.16	30.09.15
Profit after tax				
Attributable to owners of the Company (RM'000)	12,863	18,180	12,863	18,180
Weighted average number of ordinary shares of RM0.50 each ('000)	299,533	299,533	299,533	299,533
Basic Earnings Per Share (sen)	4.29	6.07	4.29	6.07

(ii) **Diluted Earnings Per Share**

Diluted Earnings Per Share (sen)	4.29	6.07	4.29	6.07
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There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reporting period.

B13. Realised and Unrealised Profits Disclosure

	As at 30.09.16 RM'000	(Audited) As at 30.6.15 RM'000
Total retained profits of the Company and of its subsidiaries:		
- Realised	411,703	412,519
- Unrealised	(6,773)	(6,973)
	<hr/>	<hr/>
	404,930	405,546
Less: Consolidation adjustments	(118,707)	(118,707)
	<hr/>	<hr/>
Total retained profits	<u>286,223</u>	<u>286,839</u>