



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAR 2018 - UNAUDITED

	Unaudited As at 31.03.18 RM'000	Audited As at 30.06.17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	139,981	149,519
Investment properties	4,875	4,925
Other investment	180	180
	<u>145,036</u>	<u>154,624</u>
Current assets		
Inventories	215,048	227,476
Trade and other receivables	162,028	122,059
Current tax assets	5,001	3,202
Cash and bank balances	100,910	113,914
	<u>482,987</u>	<u>466,651</u>
TOTAL ASSETS	<u>628,023</u>	<u>621,275</u>
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	340,273	355,595
Total equity	<u>518,202</u>	<u>533,524</u>
Non-current liabilities		
Deferred tax liabilities	8,116	8,400
Current liabilities		
Trade and other payables	31,694	29,801
Borrowings	56,762	48,113
Dividend payable	11,488	-
Current tax liabilities	1,761	1,437
	<u>101,705</u>	<u>79,351</u>
Total liabilities	<u>109,821</u>	<u>87,751</u>
TOTAL EQUITY AND LIABILITIES	<u>628,023</u>	<u>621,275</u>
Net assets per share (RM)	1.76	1.78

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 2017. 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 MARCH 2018 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Revenue	142,778	140,605	441,249	380,192
Cost of sales	<u>(124,370)</u>	<u>(113,966)</u>	<u>(367,895)</u>	<u>(309,704)</u>
Gross profit	18,408	26,639	73,354	70,488
Other income	1,505	355	5,015	7,880
Administrative expenses	(5,151)	(4,978)	(18,886)	(13,008)
Selling and distribution expenses	<u>(3,822)</u>	<u>(4,426)</u>	<u>(12,506)</u>	<u>(13,554)</u>
Operating profit	10,940	17,590	46,977	51,806
Finance costs	<u>(412)</u>	<u>(285)</u>	<u>(857)</u>	<u>(774)</u>
Profit before tax	10,528	17,305	46,120	51,032
Tax expense	<u>(1,970)</u>	<u>(2,634)</u>	<u>(8,234)</u>	<u>(9,294)</u>
Profit for the financial period	8,558	14,671	37,886	41,738
Other comprehensive (loss)/income, net of tax				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	<u>(19,907)</u>	<u>(2,832)</u>	<u>(23,501)</u>	<u>17,694</u>
Total comprehensive income attributable to the owners of the company for the financial period/year	<u><u>(11,349)</u></u>	<u><u>11,839</u></u>	<u><u>14,385</u></u>	<u><u>59,432</u></u>
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	<u><u>2.88</u></u>	<u><u>4.90</u></u>	<u><u>12.74</u></u>	<u><u>13.93</u></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 2017. 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 MARCH 2018 - UNAUDITED

	----- Non-distributable -----			Distributable		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 July 2017	177,929	-	(3)	41,818	313,780	533,524
	<i>Note (1)</i>					
Foreign exchange differences on translation	-	-	-	(23,501)	-	(23,501)
Profit for the financial period	-	-	-	-	37,886	37,886
Total comprehensive income for the financial period	-	-	-	(23,501)	37,886	14,385
Transactions with owners:						
Purchase of treasury shares	-	-	(8,337)	-	-	(8,337)
Dividends	-	-	-	-	(21,370)	(21,370)
Total transactions with owners	-	-	(8,337)	-	(21,370)	(29,707)
At 31 Mar 2018	177,929	-	(8,340)	18,317	330,296	518,202
At 1 July 2016	149,767	28,163	-	30,948	286,839	495,717
Foreign exchange differences on translation	-	-	-	17,694	-	17,694
Profit for the financial period	-	-	-	-	41,738	41,738
Total comprehensive income for the financial period	-	-	-	17,694	41,738	59,432
Transaction with owners:						
Purchase of own shares	-	-	(2)	-	-	(2)
Dividends	-	-	-	-	(23,963)	(23,963)
Total transactions with owners	-	-	(2)	-	(23,963)	(23,965)
At 31 Mar 2017	149,767	28,163	(2)	48,642	304,614	531,184

Note:

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM28,162,800 for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 2017. 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 MARCH 2018 - UNAUDITED

	31.03.18	31.03.17
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	46,120	51,032
Adjustments for:		
Depreciation	14,185	14,815
Gain on disposal of property, plant and equipment	(170)	-
Impairment loss charge/(reverse) on receivables	280	(9)
Interest expense	857	774
Interest income	(2,185)	(1,581)
Property, plant and equipment written off	5	-
Unrealised loss/(gain) on foreign exchange	3,000	(2,317)
Operating profit before working capital changes	62,092	62,714
Decrease in inventories	2,804	16,973
Increase in receivables	(47,423)	(34,331)
Increase/(Decrease) in payables	3,448	(13,958)
Cash from operation	20,921	31,398
Interest paid	(857)	(774)
Income tax paid	(9,817)	(7,614)
Net cash from operating activities	10,247	23,010
Cash flows from investing activities		
Interest received	2,185	1,581
Proceeds from disposal of property, plant and equipment	207	-
Purchase of property, plant and equipment	(11,415)	(10,981)
Net cash used in investing activities	(9,023)	(9,400)
Cash flows from financing activities		
Dividend paid	(9,882)	(13,479)
Net change in borrowings	9,314	(21,203)
Purchase of treasury shares	(8,337)	(2)
Net cash used in financing activities	(8,905)	(34,684)
Net decrease in cash and bank balances	(7,681)	(21,074)
Effect of changes in exchange rate on cash and bank balances	(5,323)	5,199
Cash and bank balances at beginning	113,914	132,962
Cash and bank balances at end	100,910	117,087

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 2017. 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 2017 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 2017.

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 period:

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 12 Disclosure of Interests in Other Entities (under Annual Improvements to MFRS Standards 2014-2016 Cycle)

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

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

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 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 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

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

Amendments to MFRS 140 Investment Property: Transfers of Investment Property

Annual Improvements to MFRS Standards 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interests in Other Entities)

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

IC Int 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycle

Effective for annual period beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Effective for annual period beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

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 2017 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.

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 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, except as follows:

	Treasury shares	
	No. of Shares	RM
Repurchase of own shares during the current period to date	<u>4,722,500</u>	<u>8,337,014</u>
Repurchase of own shares as of 31.03.2018	<u>4,724,500</u>	<u>8,340,324</u>

A8. Dividend Paid

The following dividend was paid during the current reporting period and previous corresponding period:

	Financial period ended 31.03.18 RM
Second interim single tier dividend paid on 23 November 2017 for the financial year ended 30 June 2017 - 3.3 sen per ordinary share	<u>9,881,951</u>
	Financial period ended 31.03.17 RM
Second interim single tier dividend paid on 18 November 2016 for the financial year ended 30 June 2016 - 4.5 sen per ordinary share	<u>13,478,993</u>

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	Eliminatio n/ Adjustment RM'000	Group RM'000
9 months ended 31 Mar 2018					
Revenue					
External revenue	334,719	106,530	-	-	441,249
Inter-segment revenue	-	-	30,387	(30,387)	-
Total revenue	<u>334,719</u>	<u>106,530</u>	<u>30,387</u>	<u>(30,387)</u>	<u>441,249</u>
Results					
Segment profit	55,343	4,346	29,795	(30,507)	58,977
Finance costs	(572)	(285)	-	-	(857)
Interest income	1,889	71	225	-	2,185
Depreciation	(12,169)	(2,016)	-	-	(14,185)
Profit before tax	<u>44,491</u>	<u>2,116</u>	<u>30,020</u>	<u>(30,507)</u>	<u>46,120</u>
Segment assets	<u>515,169</u>	<u>103,460</u>	<u>337,802</u>	<u>(328,408)</u>	<u>628,023</u>
Segment liabilities	<u>76,975</u>	<u>24,109</u>	<u>11,525</u>	<u>(2,788)</u>	<u>109,821</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Eliminatio n RM'000	Group RM'000
9 months ended 31 Mar 2017					
Revenue					
External revenue	313,398	66,794	-	-	380,192
Inter-segment revenue	-	-	33,281	(33,281)	-
Total revenue	<u>313,398</u>	<u>66,794</u>	<u>33,281</u>	<u>(33,281)</u>	<u>380,192</u>
Results					
Segment profit	51,644	13,913	32,764	(33,281)	65,040
Finance costs	(664)	(110)	-	-	(774)
Interest income	1,208	323	50	-	1,581
Depreciation	(13,091)	(1,724)	-	-	(14,815)
Profit before tax	<u>39,097</u>	<u>12,402</u>	<u>32,814</u>	<u>(33,281)</u>	<u>51,032</u>
Segment assets	<u>529,559</u>	<u>96,236</u>	<u>336,028</u>	<u>(338,429)</u>	<u>623,394</u>
Segment liabilities	<u>68,020</u>	<u>16,591</u>	<u>10,519</u>	<u>(2,920)</u>	<u>92,210</u>

(ii) Analysis by geographical segments

	Revenue 9 months		Non-current Assets*	
	ended 31.03.18 RM'000	ended 31.03.17 RM'000	as at 31.03.18 RM'000	as at 31.03.17 RM'000
Malaysia	154,194	143,194	88,506	85,391
Vietnam	3,528	5,791	56,350	74,593
Other Asian countries	45,467	37,525	-	-
European countries	187,869	166,843	-	-
Others	50,191	26,839	-	-
	<u>441,249</u>	<u>380,192</u>	<u>144,856</u>	<u>159,984</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 2017.

A11 Event Subsequent to the End of the Reporting Period

There were no material events subsequent to the end of the 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:

Approved and contracted for:	RM'000
- Property, plant and equipment	<u>5,538</u>

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

B1. Performance Analysis of all Operating Segments

Comparison with the corresponding quarter and financial year to date in the previous financial year

	<u>Individual Quarter</u>		Changes		<u>Cumulative Quarter</u>		Changes	
	<u>3 months ended</u>				<u>9 months ended</u>			
	31.03.18	31.03.17	RM'000	%	31.03.18RM'00	31.03.17	RM'000	%
	RM'000	RM'000			00	RM'000		
<u>Revenue - Business Segments</u>								
-- Fasteners Products	101,692	115,108	(13,416)	-11.7%	334,719	313,398	21,321	6.8%
-- Wire Products	41,086	25,497	15,589	61.1%	106,530	66,794	39,736	59.5%
	<u>142,778</u>	<u>140,605</u>	2,173	1.5%	<u>441,249</u>	<u>380,192</u>	61,057	16.1%
<u>Profit/(Loss) before interest & tax</u>								
-- Fasteners Products	11,167	12,434	(1,267)	-10.2%	45,063	39,761	5,302	13.3%
-- Wire Products	(263)	5,358	(5,621)	-104.9%	2,401	12,512	(10,111)	-80.8%
-- Investment Holding	36	(202)	238	-117.8%	(487)	(467)	(20)	4.3%
	<u>10,940</u>	<u>17,590</u>	(6,650)	-37.8%	<u>46,977</u>	<u>51,806</u>	(4,829)	-9.3%
<u>Profit/(Loss) before tax</u>								
-- Fasteners Products	10,929	12,205	(1,276)	-10.5%	44,491	39,097	5,394	13.8%
-- Wire Products	(437)	5,302	(5,739)	-108.2%	2,116	12,402	(10,286)	-82.9%
-- Investment Holding	36	(202)	238	-117.8%	(487)	(467)	(20)	4.3%
	<u>10,528</u>	<u>17,305</u>	(6,777)	-39.2%	<u>46,120</u>	<u>51,032</u>	(4,912)	-9.6%
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>								
-- Fasteners Products	8,855	10,844	(1,989)	-18.3%	36,770	32,780	3,990	12.2%
-- Wire Products	(332)	4,029	(4,361)	-108.2%	1,608	9,425	(7,817)	-82.9%
-- Investment Holding	35	(202)	237	-117.3%	(492)	(467)	(25)	5.4%
	<u>8,558</u>	<u>14,671</u>	(6,113)	-41.7%	<u>37,886</u>	<u>41,738</u>	(3,852)	-9.2%

Overall Review of Group' Financial Performance

During the current financial period to date, the Group recorded a total revenue and total profit before tax of RM441.25 million and RM46.12 million respectively. Fasteners as well as Wire division had contributed positively to the 16.1% increase in the Group revenue. However, the gross profit of the Group increased at a lower pace of 4% in the current reporting period to date as compared to the preceding year corresponding period to date, mainly caused by the higher raw material cost. In addition, higher administrative expenses as a result of higher unrealised forex loss recorded in the current period under review had also eroded the operating profit, resulting in the profit before tax of the Group reduced by 9.6% in the current period to date as compared to the preceding year corresponding period.

The equity attributable to the owners of the Company stands at RM518.20 million as at 31.3.2018 as compared to RM533.52 million as at 30.6.2017 after the declaration of the total dividends amounted to RM21.37 million in the current financial period (2nd interim dividend for FY2017 and 1st interim dividend for FY2018) and reduction in the foreign translation reserve resulting from the strengthening of the MYR against VND and USD. Although the Group's borrowings increased by RM8.65 million to RM56.76 million as at the end of the current reporting period but the Group remains in a net cash position of RM44.15 million.

As compared to the preceding year corresponding period, more cash was utilised in the current financial period for payment of deposit for the purchases of raw materials. Besides, there is higher trade receivables as of the current closing period in line with its higher revenue. RM8.34 million had been utilised to repurchase of treasury shares from the market which further reduced the Group's bank balance to RM100.91 million as of the current closing date as compared to RM117.09 million as of 31.03.2017

Individual Quarter:

Fasteners Products

Fasteners Products posted a revenue of RM101.69 million in the current reporting quarter represents a drop by 11.70% as compared to the preceding year corresponding quarter. Prolong winter season in the Western region and the announcement of the US government to impose tariff on the steel and aluminium had adversely affected the market sentiment and impacted on our export sales to European countries and United States which lead to the reduction in the division's total revenue. In tandem with the lower revenue, the profit before tax of the division dropped by 10.5% to RM10.93million in the current quarter as compared to RM12.21 million in the corresponding quarter.

Wire Products

Wire division achieved an increase of 61.1% in its current quarter revenue as compared to RM25.50 million in the preceding year corresponding quarter. However, the higher revenue did not contribute to higher bottom line in the current quarter. The raw material cost increased at a faster pace than its average selling price resulting in lower profit. Payment of backdated safeguard duty in the current quarter on the previous imported wire rod had further eroded the profit margin of the division. Furthermore, additional cost had been incurred in order to upgrade the existing facilities for the production of galvanising products. In couple with higher administrative cost and selling expenses, the division recorded a loss before tax of RM0.44 million in the current quarter.

Financial Year-To-Date Results:

The Group recorded a total revenue of RM441.25 million and a profit before tax of RM46.12 million in the current financial year to date.

Fasteners Products Division

The division recorded a total revenue of RM334.72 million and profit before tax of RM44.49 million in the current financial period to date. These represent an increase of approximately 6.8% in its revenue and 13.8% in its profit before tax. Export to European countries improved in the second quarter and the rise in the average selling price of the division had also contributed to the better performance of the division. However, the profit margin generated was partially set off by the higher unrealised forex loss resulting from the strengthening of the Malaysian Ringgit against USD in the current financial period to date.

Wire Products Division

The Wire division recorded the total revenue of RM106.53 million and profit before tax of RM2.12 million in the current financial period to date. The higher demand for its grill mesh products did not contribute to the better result of the division due to the increase in its raw material cost, imposition of safeguard duty on the previous imported wire rod, upgrading cost for the production facilities and couple with the higher administrative and selling expenses in line with the higher revenue. The profit before tax further decreased as a result of the strengthening of MYR against USD since the second quarter had reduced the translation gain from the export sales.

B2. Variation of Results Against Preceding Quarter

	3 months ended 31.03.18 RM'000	3 months ended 31.12.17 RM'000	Changes	
			RM'000	%
<u>Revenue - Business Segments</u>				
-- Fasteners Products	101,692	121,761	(20,069)	-16.48%
-- Wire Products	41,086	38,771	2,315	5.97%
	<u>142,778</u>	<u>160,532</u>	(17,754)	-11.06%
	-			
<u>Profit/(Loss) before interest & tax</u>				
-- Fasteners Products	11,167	17,569	(6,402)	-36.44%
-- Wire Products	(263)	1,810	(2,073)	-114.53%
-- Investment Holding	36	(289)	325	-112.46%
	<u>10,940</u>	<u>19,090</u>	(8,150)	-42.69%
	-			
<u>Profit/(Loss) before tax</u>				
-- Fasteners Products	10,929	17,424	(6,495)	-37.28%
-- Wire Products	(437)	1,758	(2,195)	-124.86%
-- Investment Holding	36	(289)	325	-112.46%
	<u>10,528</u>	<u>18,893</u>	(8,365)	-44.28%
	-			
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>				
-- Fasteners Products	8,855	14,312	(5,457)	-38.13%
-- Wire Products	(332)	1,335	(1,667)	-124.87%
-- Investment Holding	35	(292)	327	-111.99%
	<u>8,558</u>	<u>15,355</u>	(6,797)	-44.27%
	-			

The Group posted a total revenue of RM142.78 million and profit before tax of RM10.53 million in the current quarter under review.

Fasteners Products

The revenue in Fastener division was RM 101.69 million in the current quarter as compared to RM121.76 million in the immediate preceding quarter. The prolong interseason in Europe had deferred some of their economy activities in the region. Announcement by the US government to impose tariff on the steel and aluminium had created uncertainties in the market sentiment and adversely affected the division's export to the US market. In tandem with the lower revenue, profit before tax of the division dropped by 37.3% to RM10.93 million in the current reporting quarter as compared to the immediate preceding quarter.

Wire Products

Wire Products posted a revenue of RM41.09 million which represents an increase of 5.97% in the current reporting quarter as compared to the immediate preceding quarter. Higher sales volume did not generate better margin in the current quarter due to the higher material cost. Additional safeguard duty imposed in the current quarter for the wire rod imported from China in the previous year had resulted the product cost increased further. Malaysian Ringgit further strengthen in the current quarter and had resulted in lower translation gain from the export sales. As a result, the Wire division recorded a loss before tax of RM0.44 million in the current quarter as compared to a profit before tax of RM1.76 million in the immediate preceding quarter.

B3. Prospects

The market outlook for the Group will face challenges in the remaining quarter. The main factors that may affect the Group's performance will be the trend of the market demand together with the volatility of the raw material price. The unexpected market movement and rapid changes in the raw material cost will affect the production volume, product cost and bottom line of the Group. In order to cushion the increase of the safeguard duty which was imposed by the Malaysian government towards the end of the financial year ended 30 June 2017 on the wire rod imported from China, the Group had sourced its raw material from other alternative countries such as the Middle East and Vietnam which are duty exempted and without compromising the quality of our products. Lately, the Group managed to obtain one year exemption of the duty from the authorities.

The announcement of the US government to impose tariff on the steel and aluminium had created the market uncertainties especially in Europe and United States. Nevertheless, the Group expects its DIY segment will continue to contribute positively to the Group fasteners division's performance through the increase of its distribution network in the European and US markets. While for the Wire division, with the expansion in the production of new product lines such as welded fencing, gabion and poultry mesh, it is expected to enhance the division's result in long term with its high value added margin.

In addition to the existing core business, from time to time, the Group will explore into other new business ventures which will potentially benefit the growth of the Group.

Barring any unforeseen circumstances, the Group anticipates satisfactory performance in the current financial year.

B4. Profit Forecast

There was no profit forecast made in any public document.

B5. Profit For The Period

Included in profit or loss for the current quarter and financial year to to date are as follows:

	Current quarter RM'000	Current Year To date RM'000
Depreciation	3,702	14,185
Impairment loss (reverse)/charge on receivables	(59)	280
Interest expense	412	857
Interest income	(556)	(2,185)
Gain on disposal of property, plant and equipment	(79)	(170)
Property, plant and equipment written off	5	5
Unrealised loss on foreign exchange	474	3,000
Realised gain on foreign exchange	(977)	(1,303)
Rental income	(131)	(391)

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> 9 months ended	
	31.03.18R	31.03.17	31.03.18R	31.03.17
	M'000	RM'000	M'000	RM'000
- Current tax	(1,970)	(2,981)	(8,234)	(9,641)
- Deferred tax liabilities	-	347	-	347
	<u>(1,970)</u>	<u>(2,634)</u>	<u>(8,234)</u>	<u>(9,294)</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 the subsidiary in Vietnam.

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 as 31.03.2018	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	15,698	15,698
Onshore foreign currency loans	41,064	-	41,064
	<u>41,064</u>	<u>15,698</u>	<u>56,762</u>
As as 31.03.2017			
Secured:			
Short term			
Bankers acceptance	-	6,705	6,705
Onshore foreign currency loans	33,534	-	33,534
	<u>33,534</u>	<u>6,705</u>	<u>40,239</u>

a. The total borrowings as at the end of the reporting period had been increased to RM56.76 million as compared to RM40.24 million as of 31.03.2017. Additional borrowings had been drawn down during the current quarter to finance the purchases of raw materials. Hence the total finance cost in the current period increased to RM857k as compared to RM774k in the preceding year corresponding period.

b. The average interest rates of borrowings during the current reporting period to date are as follows:

	31.03.18 %	31.03.17 %
Borrowings denominated in RM	3.80	3.61
- Bankers acceptance		
Borrowings denominated in USD		
- Onshore foreign currency loans	1.91	1.04

All the borrowings are based on floating interest rates.

c. Borrowings denominated in USD are not hedged to RM as the borrowings will be paid off from the export proceeds of the respective subsidiaries denominated in foreign currencies.

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	30.6.2018	30.6.2017
Declared and approved on	27.2.2018	27.2.2017
Entitlement date	26.4.2018	28.4.2017
Payment date	24.5.2018	25.5.2017
Dividend per share	3.90 sen	3.5 sen
Dividend % (Single Tier)	7.8% (single tier)	7% (single tier)
Net dividend payable	RM11,488,092	RM10,483,626

b. The total dividend declared for the current financial year ending 30 June 2018 is 3.90 sen per share.

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>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>9 months ended</u>	<u>9 months ended</u>
	<u>31.03.18</u>	<u>31.03.17</u>	<u>31.03.18</u>	<u>31.03.17</u>
Profit after tax				
Attributable to owners of the Company (RM'000)	8,558	14,671	37,886	41,738
Weighted average number of ordinary shares ('000)	297,473	299,533	297,473	299,533
Basic Earnings Per Share (sen)	2.88	4.90	12.74	13.93

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	2.88	4.90	12.74	13.93
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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.