

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Revenue	10	136,923	125,178	404,222	388,944
Cost of sales		(132,948)	(123,646)	(394,548)	(387,845)
Gross profit		<u>3,975</u>	<u>1,532</u>	<u>9,674</u>	<u>1,099</u>
Other income		91	169	234	190
Selling and distribution expenses		(673)	(521)	(1,797)	(1,673)
Administrative expenses		(735)	(2,863)	(2,417)	(6,117)
Profit/(Loss) from operations		<u>2,658</u>	<u>(1,683)</u>	<u>5,694</u>	<u>(6,501)</u>
Finance costs		(661)	(651)	(1,945)	(2,221)
Profit/(Loss) before tax	10	<u>1,997</u>	<u>(2,334)</u>	<u>3,749</u>	<u>(8,722)</u>
Income Tax Expense	19	-	-	-	-
Net Profit/(Loss) for the period		<u><u>1,997</u></u>	<u><u>(2,334)</u></u>	<u><u>3,749</u></u>	<u><u>(8,722)</u></u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(158)	(697)	908	35
Revaluation of land and buildings		-	-	-	-
Other comprehensive income/(loss), for the period, net of tax		<u>(158)</u>	<u>(697)</u>	<u>908</u>	<u>35</u>
Total comprehensive income/(loss) for the period		<u><u>1,839</u></u>	<u><u>(3,031)</u></u>	<u><u>4,657</u></u>	<u><u>(8,687)</u></u>
Total profit/(loss) attributable to:					
Equity holders of the parent		<u>1,997</u>	<u>(2,334)</u>	<u>3,749</u>	<u>(8,722)</u>
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		<u>1,839</u>	<u>(3,031)</u>	<u>4,657</u>	<u>(8,687)</u>
Earning per share (sen)					
- Basic	28	3.11	(3.63)	5.83	(13.57)
- Diluted	28	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

		AS AT END OF CURRENT QUARTER 30-Sep-13 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31-Dec-12 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	39,272	39,620
Investment property		1,300	1,300
		40,572	40,920
CURRENT ASSETS			
Inventories		59,408	44,281
Trade receivables		47,055	60,921
Other receivables, prepayment and deposits		4,288	5,019
Cash and bank balances		18,051	18,188
		128,802	128,409
TOTAL ASSETS		169,374	169,329
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		64,286	64,286
Share premium		1,798	1,798
Foreign exchange reserve		1,150	242
Revaluation reserve		11,258	11,258
Accumulated losses		(13,678)	(17,427)
TOTAL EQUITY		64,814	60,157
CURRENT LIABILITIES			
Borrowings	22	70,844	74,271
Trade payables		15,285	17,867
Other payables		18,431	17,034
		104,560	109,172
TOTAL LIABILITIES		104,560	109,172
TOTAL EQUITY AND LIABILITIES		169,374	169,329
Net assets per share		1.01	0.94

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

← Attributable to Equity Holders of the Parent →
 ← Non-Distributable →

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Foreign exchange reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2013	64,286	1,798	11,258	242	(17,427)	60,157
Total comprehensive income for the period	-	-	-	908	3,749	4,657
At 30 September 2013	64,286	1,798	11,258	1,150	(13,678)	64,814
At 1 January 2012	64,286	1,798	11,025	602	(8,422)	69,289
Total comprehensive loss for the period	-	-	-	35	(8,722)	(8,687)
At 30 December 2012	64,286	1,798	11,025	637	(17,144)	60,602

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

	9 months ended 30-Sep-13 RM'000	9 months ended 30-Sep-12 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit/ (loss) before tax	3,749	(6,388)
Adjustments for:		
Depreciation of property, plant and equipment	3,425	3,748
Gain on disposal of property, plant and equipment	(15)	-
Property, plant and equipment written off	-	12
Interest expenses	1,945	1,570
Interest income	(76)	-
Unrealised exchange loss/(gain)	831	1,413
Operating cash flows before changes in working capital	<u>9,859</u>	<u>355</u>
Receivables	13,866	(1,818)
Other current assets	(14,396)	(18,241)
Payables	(641)	1,974
Cash from/(used in) operating activities	<u>8,688</u>	<u>(17,730)</u>
Income tax paid	(544)	(29)
Income tax refunded	-	16
Interest received	76	-
Interest paid	(1,945)	(1,570)
Net cash from/(used in) operating activities	<u>6,275</u>	<u>(19,313)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(551)	(546)
Proceeds from disposal of property, plant and equipment	15	-
Net cash flows used in investing activities	<u>(536)</u>	<u>(546)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from loans and borrowings	23,493	18,896
Repayment of loans and borrowings	(28,921)	(11,148)
Net cash flows (used in)/from financing activities	<u>(5,428)</u>	<u>7,748</u>
Net increase/(decrease) in cash and cash equivalents	311	(12,111)
At beginning of financial year	18,188	19,702
Effect of exchange rates changes	(448)	(1,344)
At end of financial year	<u>18,051</u>	<u>6,247</u>
Cash and cash equivalents comprise:		
Cash and bank balances	18,051	6,247
Bank Overdraft (included under short term borrowings)	-	-
Net cash and bank balances	<u>18,051</u>	<u>6,247</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Selected explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 : Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs, Issues Committee Interpretations ("IC Interpretations") and Statement of Principles.

	Effective for annual periods beginning on or after
Amendments to MFRS 101 : Presentation of Financial Statements (Presentation of Items of Other Comprehensive Income)	1 July 2012
Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards (Government Loans)	1 January 2013
Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 -2011 Cycle)	1 January 2013
MFRS 3 : Business Combinations (IFRS 3 issued by IASB in March 2004)	1 January 2013
Amendments to MFRS 7 : Financial Instruments : Disclosures (Offsetting Financial Assets and Financial Liabilities)	1 January 2013
MFRS 10 : Consolidated Financial Statements	1 January 2013
Amendments to MFRS 10 : Consolidated Financial Statements (Transition Guidance)	1 January 2013
MFRS 11 : Joint Arrangements	1 January 2013
Amendments to MFRS 11: Joint Arrangements (Transition Guidance)	1 January 2013
MFRS 12 : Disclosure of Interests in Other Entities	1 January 2013
Amendments to MFRS 12 : Disclosure of Interests in Other Entities (Transition Guidance)	1 January 2013
MFRS 13 : Fair Value Measurement	1 January 2013
Amendments to MFRS 101 : Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to MFRS 116 : Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
MFRS 119 : Employee Benefits	1 January 2013
MFRS 127 : Consolidated and Separate Financial Statements (IAS 27 as amended by IASB in December 2003)	1 January 2013
MFRS 128 : Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 132 : Financial Instruments : Presentation (Annual Improvements 2009 -2011 Cycle)	1 January 2013
Amendments to MFRS 134 : Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
Amendments to IC Int. 2 : Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 - 2011 Cycle)	1 January 2013
IC Interpretation 20 : Stripping Costs in the Production Phase of as Surface Mine	1 January 2013

The adoption of the above MFRS, amendments to MFRS and IC Interpretations do not have significant impact on the financial statements, position or presentation of financials of the Group and the Company in the period of initial application, except for amendments to MFRS 7 : Disclosures : Offsetting Financial Assets and Financial Liabilities. The principal effects of the changes in accounting policies resulting from the adoption of amendments to MFRS 7 : Disclosures : Offsetting Financial Assets ad Financial Liabilities are summarised below:

(a) Amendments to MFRS 7 : Disclosures : Offsetting Financial Assets and Financial Liabilities is effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. An entity shall provide the disclosures required by those amendments retrospectively. Disclosures are required for all recognised financial asset and financial liability that are set off and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts and it intends to either to settle on a net basis or to realise the asset and settle the liability simultaneously.

An entity shall disclose at the of the reporting period, the following quantitative information separately for recognised financial assets and recognised financial liabilities:

- (i) the gross amounts of those recognised financial assets and recognised financial liabilities;
- (ii) the amounts that are set off when determining the net amounts presented in the statement of financial position;
- (iii) the net amounts presented in the statement of financial position;
- (iv) the amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in item (ii) including amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria and amounts related to financial collateral (including cash collateral)
- (v) the net amount after deducting the amounts in (iv) from the amounts in (iii)

To meet the objectives, an entity may need to supplement additional (qualitative disclosures), depending on the terms of the enforceable master netting arrangements and related arrangements, including the nature of the rights to set-off and their effect or potential effect on the entity's financial position.

Standards and interpretations issued but not yet effective

As at 30 June 2013, the following MFRS, amendments to MFRS and IC Interpretations that have been issued but not yet effective :

	Effective for annual periods beginning on or after
Amendments to MFRS 132 : Financial Instruments : Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10 : Consolidated Financial Statements (Investment Entities)	1 January 2014
Amendments to MFRS 12 : Disclosure of Interests in Other Entities (Investment Entities)	1 January 2014
Amendments to MFRS 127 : Consolidated and Separate Financial Statements (Investment Entities)	1 January 2014
Amendments to MFRS 9 : Financial Instruments	1 January 2015

3. Audit Qualification of Preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2012 was not qualified.

4. Comments About Seasonal or Cyclical Factors

The sales of enamelled copper wire and copper rods/wire are not subject to cyclical or seasonal factors.

5. Unusual Items Due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

6. Changes in Estimates

There were no significant changes in estimates that had a material effect in the current quarter.

7. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities or share cancellation in the current interim period under review. The company has not implemented any share buy back scheme and it does not hold any shares as treasury shares during the current financial period.

8. Dividend Paid

No dividend was paid in the current financial period under review.

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment had been brought forward without amendment from the financial statements for the year ended 31 December 2012.

10. Segmental Reporting

Segment information for the nine months ended 30 September 2013 is as follow:-

	Malaysia RM'000	Hong Kong RM'000	People's Republic of China RM'000	Other RM'000	Eliminations RM'000	Total RM'000 30/09/13	Total RM'000 30/09/12
Revenue							
External sales	352,076	18,627	52,795	-	(19,276)	404,222	388,944
Inter-segment sales	(19,034)	-	(242)	-	19,276	-	-
Total revenue	333,042	18,627	52,553	-	-	404,222	388,944
Results							
Operating profit/(loss)	7,061	(112)	(1,782)	21	506	5,694	(6,501)
Finance costs	(1,461)	(183)	(284)	(73)	56	(1,945)	(2,221)
Profit / (loss) before tax	5,600	(295)	(2,066)	(52)	562	3,749	(8,722)
Income tax expenses	-	-	-	-	-	-	-
Profit / (loss) for the period	5,600	(295)	(2,066)	(52)	562	3,749	(8,722)
Assets							
Segment assets	250,580	3,621	55,806	28,300	(168,933)	169,374	169,469
Liabilities							
Segment liabilities	81,923	41,610	(4,781)	1,063	(15,255)	104,560	108,867

11. Subsequent Event

There were no material events subsequent to the end of the current quarter ended 30 September 2013 until the date of this

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter. This included business combinations, acquisitions or disposal of subsidiaries, and long term investment, restructuring, and continuing operation.

13. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2012 except for the following :

a)	30.09.2013 RM'000	30.09.2012 RM'000
Bank guarantees issued to third party by a subsidiary company	840	840

These are bank guarantees issued to utility supplier, mainly for security deposits and payment guarantees.

- b) The company has issued various corporate guarantees totalling RM101.819 million in favour of various financial institutions for the banking facilities extended to a subsidiary company. The amount of banking facilities utilised as at 30 September 2013 is RM 44.817 million.

14. Capital Commitments

There were no material capital commitments entered by the Group in this current quarter ended 30 September 2013.

15. Performance Analysis

Segment	3 months ended		9 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Malaysia				
Revenue	108,614	98,426	333,042	309,315
Profit/(loss) before tax	2,895	(1,051)	6,057	(6,691)
Hong Kong				
Revenue	7,145	9,651	18,627	28,480
Profit/(loss) before tax	(29)	(150)	(324)	(324)
People's Republic of China				
Revenue	21,164	17,101	52,553	51,149
Profit/(loss) before tax	(864)	(1,114)	(1,886)	(1,630)
Other				
Revenue	-	-	-	-
Profit/(loss) before tax	(5)	(19)	(98)	(77)
Group Total				
Revenue	136,923	125,178	404,222	388,944
Profit/(loss) before tax	1,997	(2,334)	3,749	(8,722)

For the 9 months ended 30 September 2013, the Group recorded an increased in revenue of RM15.278 million to RM 404.222 million, from RM 338.944 million in the same corresponding period ended 30 September 2012. The higher revenue were due to higher sales volume during the current period. The Group recorded a profit before tax of RM 3.749 million in the current financial period as compared to a loss before tax of RM 8.722 million in the same corresponding period ended 30 September 2012. The higher profit was mainly contributed by the gain in foreign exchange rates.

16. Comparison with immediate Preceding Quarter's results

Segment	3 months ended	
	30.09.2013	31.06.2013
	RM'000	RM'000
Malaysia		
Revenue	108,614	118,308
Profit/(loss) before tax	2,895	2,158
Hong Kong		
Revenue	7,145	6,510
Profit/(loss) before tax	(29)	(154)
People's Republic of China		
Revenue	21,164	18,814
Profit/(loss) before tax	(864)	(409)
Other		
Revenue	-	-
Profit/(loss) before tax	(5)	(15)
Group Total		
Revenue	136,923	143,632
Profit/(loss) before tax	1,997	1,580

For the third quarter under review, the Group's revenue decreased by 4.67% to RM 136,923 million as compared to RM 143,632 million in the preceding quarter. The group registered a profit before tax of RM 1.997 million during the second quarter as compared to a profit before tax of RM 1.580 million in the previous quarter. The sales decrease in third quarter was mainly due to lower sales volume. The higher profit in third quarter were mainly due to the gain in foreign exchange rates.

Other than the two major factors affecting the changes in the profit before tax for the current quarter, there were no other material factors which may be able to influence the Group's bottomline significantly, other than those mentioned above.

17. Commentary on Prospects

The copper rod and wire industry will continue to be a challenge due to the intense competition and the fluctuations of the copper prices at London Metal Exchange ("LME") and these fluctuations will continue to be of concern in the near future amidst the market volatility in the global economy. The fluctuations in copper prices remain the highest concern as it is the major determinant of profitability of the Group. Meanwhile, the management will constantly monitor the LME copper prices and exchange rates to control the material cost.

The Group believes in maintaining a close business relationship with all its customers, especially the major customers. It is still making initiatives to explore new overseas market potential. Meantime, the management will continue with its measures to control its operational costs by enhancing productivity with the same workforce and machineries.

18. Profit Forecast or Profit Guarantee

There was neither a profit forecast nor a profit guarantee issued by the Company for the current financial year ending 31 December 2013.

19. Income Tax Expense

There is no tax on business income mainly due to the unabsorbed business losses brought forward.

20. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the financial period ended 30 September 2013.

21. Corporate Proposals

There was no corporate proposal which was announced and not completed as at the date of this announcement.

22. Borrowings and Debt Securities

	As at 30.09.2013 RM'000	As at 30.09.2012 RM'000
Short term borrowings		
Secured	52,075	47,620
Unsecured	18,769	19,900
	<u>70,844</u>	<u>67,520</u>
Borrowings denominated in foreign currency:	Foreign Currency '000	RM'000 Equivalent
Secured		
Ringgit Malaysia		44,007
US Dollar	213	679
Chinese Renminbi ("RMB")	14,225	7,389
Total		<u><u>52,075</u></u>

23. Derivative Financial Instruments

There was no derivative financial instrument issued as at the end of the current quarter.

24. Changes in Material Litigation

There was no material litigation pending as at the date of this announcement.

25. Dividend

No dividend was recommended for the current financial period under review.

26. Disclosure of Realised and Unrealised Profit / (Loss)

	As at 30.09.2013	As at 31.12.2012
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	10,840	7,685
- Unrealised	<u>(2,501)</u>	<u>(2,976)</u>
	8,339	4,709
Less : consolidation adjustments	(22,017)	(22,136)
Total Group retained profits / (accumulated losses) as per consolidated accounts	<u><u>(13,678)</u></u>	<u><u>(17,427)</u></u>

27. Profit / (loss) Before Tax

The following items have in included in the statement of comprehensive income in arriving at profit/(loss) before tax:

	Current Qtr 3 months ended 30.09.2013 RM'000	Cumulative Qtr 9 months ended 30.09.2013 RM'000
Interest income	60	76
Interest expenses	661	1,945
Depreciation and amortization	1,093	3,425
Gain/(loss) on disposal of property, plant and equipment	-	15
Foreign exchange gain / (loss)	406	1,239

28. Earnings Per Share ("EPS")**(a) Basic EPS**

Basic EPS is calculated by dividing the net profit for the year by the weighted average number of ordinary issue shares in during the year.

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
(Loss)/Profit for the period attributable to equity holders of the parent (RM'000)	1,997	(2,334)	3,749	(8,722)
Weighted average number of ordinary shares in issue ('000)	64,286	64,286	64,286	64,286
Basic EPS (sen)	<u>3.11</u>	<u>(3.63)</u>	<u>5.83</u>	<u>(13.57)</u>

(b) Diluted EPS

The diluted EPS per share is not calculated as there is no dilutive effect for the shares.

29. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 November 2013.