

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2014

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31-Dec-14 RM'000	31-Dec-13 RM'000	31-Dec-14 RM'000	31-Dec-13 RM'000
Revenue	10	129,088	129,606	472,801	535,073
Cost of sales		(126,432)	(126,892)	(464,850)	(523,665)
Gross profit		<u>2,656</u>	<u>2,714</u>	<u>7,951</u>	<u>11,408</u>
Other income		152	247	313	481
Selling and distribution expenses		(519)	(537)	(2,017)	(2,335)
Administrative expenses		(3,374)	(1,877)	(8,400)	(3,547)
(Loss)/Profit from operations		<u>(1,085)</u>	<u>547</u>	<u>(2,153)</u>	<u>6,007</u>
Finance costs		(837)	(943)	(2,985)	(2,643)
(Loss)/Profit before tax	10	<u>(1,922)</u>	<u>(396)</u>	<u>(5,138)</u>	<u>3,364</u>
Income Tax Expense	19	-	(575)	-	(575)
Net (Loss)/Profit for the year		<u><u>(1,922)</u></u>	<u><u>(971)</u></u>	<u><u>(5,138)</u></u>	<u><u>2,789</u></u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		599	467	493	1,376
Revaluation of land and buildings		-	50	-	50
Other comprehensive income for the year, net of tax		<u>599</u>	<u>517</u>	<u>493</u>	<u>1,426</u>
Total comprehensive (loss)/income for the year		<u><u>(1,323)</u></u>	<u><u>(454)</u></u>	<u><u>(4,645)</u></u>	<u><u>4,215</u></u>
Total (loss)/profit attributable to:					
Equity holders of the parent		<u>(1,922)</u>	<u>(971)</u>	<u>(5,138)</u>	<u>2,789</u>
Total comprehensive (loss)/income attributable to:					
Equity holders of the parent		<u><u>(1,323)</u></u>	<u><u>(454)</u></u>	<u><u>(4,645)</u></u>	<u><u>4,215</u></u>
Earning per share (sen)					
- Basic	28	(2.99)	(1.51)	(7.99)	4.34
- 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 2013 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
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2014

		AS AT END OF CURRENT QUARTER 30-Dec-14 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31-Dec-13 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	36,390	38,854
Investment property		1,350	1,350
		37,740	40,204
CURRENT ASSETS			
Inventories		46,481	46,405
Trade receivables		54,454	50,617
Other receivables, prepayment and deposits		1,172	826
Cash and bank balances		11,510	22,131
		113,617	119,979
TOTAL ASSETS		151,357	160,183
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		64,286	64,286
Share premium		1,798	1,798
Foreign exchange reserve		2,111	1,618
Revaluation reserve		11,258	11,258
Accumulated losses		(19,776)	(14,638)
TOTAL EQUITY		59,677	64,322
CURRENT LIABILITIES			
Borrowings	22	66,404	56,591
Trade payables		7,034	18,764
Other payables		18,242	20,506
		91,680	95,861
TOTAL LIABILITIES		91,680	95,861
TOTAL EQUITY AND LIABILITIES		151,357	160,183
Net assets per share		0.93	1.00
		-	-

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 FORTH QUARTER ENDED 31 DECEMBER 2014

←——— **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 2014	64,286	1,798	11,258	1,618	(14,638)	64,322
Total comprehensive loss for the year	-	-	-	493	(5,138)	(4,645)
At 31 December 2014	<u>64,286</u>	<u>1,798</u>	<u>11,258</u>	<u>2,111</u>	<u>(19,776)</u>	<u>59,677</u>
At 1 January 2013	64,286	1,798	11,258	242	(17,427)	60,157
Total comprehensive income for the year	-	-	-	1,376	2,789	4,165
At 31 December 2013	<u>64,286</u>	<u>1,798</u>	<u>11,258</u>	<u>1,618</u>	<u>(14,638)</u>	<u>64,322</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 FORTH QUARTER ENDED 31 DECEMBER 2014

	12 months ended 31-Dec-14 RM'000	12 months ended 31-Dec-13 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(5,138)	3,364
Adjustments for:		
Depreciation of property, plant and equipment	4,470	4,948
Gain on disposal of property, plant and equipment	(33)	38
Gain from fair value adjustment of investment property	-	(50)
Net fair value loss on derivatives	-	61
Interest expenses	2,985	2,643
Interest income	(29)	(233)
Unrealised exchange loss	1,045	94
Operating cash flows before changes in working capital	<u>3,300</u>	<u>10,865</u>
Receivables	(2,792)	12,234
Other current assets	(422)	89
Payables	(13,087)	4,243
Cash (used in)/from operating activities	<u>(13,001)</u>	<u>27,431</u>
Other comprehensive (loss)/income, for the year,	(907)	(764)
Interest received	29	233
Total comprehensive loss for the year	<u>(2,985)</u>	<u>(2,643)</u>
Net cash (used in)/from operating activities	<u>(16,864)</u>	<u>24,257</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(840)	(389)
Proceeds from disposal of property, plant and equipment	33	(4)
Net cash flows used in investing activities	<u>(807)</u>	<u>(393)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from loans and borrowings	15,037	-
Repayment of loans and borrowings	(7,881)	(15,884)
Net cash flows from/(used in) financing activities	<u>7,156</u>	<u>(15,884)</u>
Net (decrease)/ increase in cash and cash equivalents	(10,515)	7,980
At beginning of financial year	22,131	14,941
Effect of exchange rates changes	(106)	(2,319)
At end of financial year	<u>11,510</u>	<u>20,602</u>
Cash and cash equivalents comprise:		
Cash and bank balances	11,510	20,602
Deposit pledged with banks	-	1,529
Net cash and bank balances	<u>11,510</u>	<u>22,131</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

TA WIN HOLDINGS BERHAD (Company No.291592-U)
NOTES TO INTERIM FINANCIAL REPORT ENDED 31 DECEMBER 2014
FOR THE FORTH QUARTER ENDED 31 DECEMBER 2014

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 2013. 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 2013.

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 2013 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs, Issues

	Effective for annual periods beginning on or after
Amendments to MFRS 10 : Consolidated Financial Statement (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 Statement (Investment Entities)	1 January 2014
Amendments to MFRS 132 : Financial Instruments Presentation (Offsetting Financial Assets and and Financial Liabilities)	1 January 2014
Amendments to MFRS 136 : Impairment of Assets (Recoverable Amount Disclosures for Non- Financial Assets)	1 January 2014
Amendments to MFRS 139 : Financial Instruments: Recognition and Measurement (Novation of Derivatives and Continuation of Hedge Accounting)	1 January 2014
IC Interpretation 21 : Levies	1 January 2014

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 as disclosed below:

MFRS 9 Financial instruments

MFRS 9, as issued, reflects the first phase of the work on replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the financial assets, but will not have an impact on classification and measurements of the financial liabilities. The effect will be quantified in conjunction with the other phases, when the final standard including all phases is issued.

Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. No derivatives were novated during the current period. However, these amendments would be considered for future novation.

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 September 2014, 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
Admendments to MFRS 119 : Employee Benefits (Defined Benefit Plans: Employee Contributions)	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
MFRS 9 : Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
Amendments to MFRS 9 : Financial Instruments (Hedge Accounting)	To be announced

3. Audit Qualification of Preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2013 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 2013.

10. Segmental Reporting

Segment information for the three months ended 31 December 2014 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 31/12/14	Total RM'000 31/12/13
Revenue							
External sales	399,374	2,529	74,578	-	(3,680)	472,801	535,073
Inter-segment sales	(3,680)	-	-	-	3,680	-	-
Total revenue	<u>395,694</u>	<u>2,529</u>	<u>74,578</u>	<u>-</u>	<u>-</u>	<u>472,801</u>	<u>535,073</u>
Results							
Operating (loss)/profit	2,327	8	(4,239)	45	(92)	(1,951)	6,007
Finance costs	(2,081)	(186)	(768)	(202)	50	(3,187)	(2,643)
(Loss)/profit before tax	<u>246</u>	<u>(178)</u>	<u>(5,007)</u>	<u>(157)</u>	<u>(42)</u>	<u>(5,138)</u>	<u>3,364</u>
Income tax expenses	-	-	-	-	-	-	(575)
(Loss)/profit for the year	<u>246</u>	<u>(178)</u>	<u>(5,007)</u>	<u>(157)</u>	<u>(42)</u>	<u>(5,138)</u>	<u>2,789</u>
Assets							
Segment assets	219,039	1,239	55,541	30,431	(154,893)	151,357	160,183
Liabilities							
Segment liabilities	59,278	1,630	41,683	52	(10,963)	91,680	95,861

11. Subsequent Event

There were no material events subsequent to the end of the current quarter ended 31 December 2014 until the date of this report.

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 2013 except for the following :

a)	31.12.2014	31.12.2013
	RM'000	RM'000
Bank guarantees issued to third party by a subsidiary company	930	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 RM45.0 million in favour of various financial institutions for the banking facilities extended to a subsidiary company. The amount of banking facilities utilised as at 31 December 2014 is RM 44.927 million.

14. Capital Commitments

	31.12.2014	31.12.2013
	RM'000	RM'000
Capital expenditure as at the reporting date is as follows:		
Approved and oncontracted for property, plant and equipment	221	-

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

15. Performance Analysis

Segment	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Malaysia				
Revenue	106,943	99,711	395,694	432,753
Profit/(loss) before tax	(149)	799	204	6,856
Hong Kong				
Revenue	-	6,190	2,529	24,817
Loss before tax	(40)	(83)	(178)	(407)
People's Republic of China				
Revenue	22,145	23,705	74,578	77,503
Loss before tax	(1,543)	(1,072)	(5,173)	(3,522)
Other				
Revenue	-	-	-	-
Loss before tax	(190)	(40)	(157)	(138)
Group Total				
Revenue	129,088	129,606	472,801	535,073
(Loss)/profit before tax	(1,922)	(396)	(5,304)	2,789

For the 12 months ended 31 December 2014, the Group recorded a decrease in revenue of RM62.272 million to RM 472.801 million, from RM 535.073 million in the same corresponding year ended 31 December 2013. The decrease of revenue were due to lower average selling price caused by the lower London Metal Exchange "LME" price (ranges between USD 6,423 to USD 7,295/MT) as compared to the same corresponding period in 2013 which were ranging between USD 6,893 - USD8,070/ MT. Apart from LME price, losses were also contributed by the loss in foreign exchange rates when USD exchange rates was in a downward trend in the 2014 as compared to corresponding year 2013.

China's operation has contributed RM5.173 million or 97.5% losses to the Group and resulted the Group recorded a loss before tax of RM 5.304 million in the current financial period as compared to a profit before tax of RM 2.789 million in the same corresponding period ended 31 December 2013. China losses was mainly due to very competitive market condition and resulted in the higher cost of production which could not be passed on to customer especially when LME prices are in the downward trend.

16. Comparison with immediate Preceding Quarter's results

Segment	3 months ended	
	31.12.2014	30.09.2014
	RM'000	RM'000
Malaysia		
Revenue	106,943	96,329
Profit/(loss) before tax	(149)	(3)
Hong Kong		
Revenue	-	-
Profit/(loss) before tax	(40)	(48)
People's Republic of China		
Revenue	22,145	18,317
Profit/(loss) before tax	(1,543)	(1,008)
Other		
Revenue	-	-
Profit/(loss) before tax	(190)	20
Group Total		
Revenue	129,088	114,646
Profit/(loss) before tax	(1,922)	(1,039)

For the fourth quarter under review, the Group's revenue increased by 12.6% to RM 129.088 million as compared to RM 114.646 million in the preceding quarter. The group registered a loss before tax of RM1.922 million during the fourth quarter as compared to a loss before tax of RM1.039 million in the previous quarter. The increase in revenue was due to an increase in sales volume. Nevertheless loss before tax increased due to the fluctuation of copper prices and unfavourable on US Dollar exchanges rates.

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 31 December 2014.

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 31.12.2014 RM'000	As at 31.12.2013 RM'000
Short term borrowings		
Secured	55,593	46,234
Unsecured	10,811	10,357
	<u>66,404</u>	<u>56,591</u>
 Borrowings denominated in foreign currency:		
	Foreign Currency '000	RM'000 Equivalent
Secured		
Ringgit Malaysia		55,593
Chinese Renminbi ("RMB")	19,016	10,811
Total		<u>66,404</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 (Loss)/Profit

	As at 31.12.2014	As at 31.12.2013
Total accumulated losses of the Company and its subsidiaries :		
- Realised	(9,214)	(6,398)
- Unrealised	(1,046)	974
	<u>(10,260)</u>	<u>(5,424)</u>
Less : consolidation adjustments	(9,350)	(9,214)
Total Group accumulated losses as per consolidated accounts	<u>(19,610)</u>	<u>(14,638)</u>

27. Loss Before Tax

The following items have been included in the statement of comprehensive income in arriving at loss before tax:

	Cumulative Qtr 3 months ended 31.12.2014 RM'000	Cumulative Qtr 12 months ended 31.12.2014 RM'000
Interest income	(9)	(29)
Rental income	(29)	(81)
Interest expenses	(837)	(2,985)
Depreciation and amortization	787	4,470
(Loss)/Gain on disposal of property, plant and equipment	15	(33)
Foreign exchange loss/ (gain)	1,026	347

28. Earnings Per Share ("EPS")

(a) Basic EPS

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

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
(Loss)/Profit for the year attributable to equity holders of the parent (RM'000)	(1,922)	(971)	(5,138)	2,789
Weighted average number of ordinary shares in issue ('000)	64,286	64,286	64,286	64,286
Basic EPS (sen)	(2.99)	(1.51)	(7.99)	4.34

(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 24 February 2015.