

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30-Sep-15 RM'000	30-Sep-14 RM'000	30-Sep-15 RM'000	30-Sep-14 RM'000
Revenue	10	123,895	114,646	338,638	343,713
Cost of sales		(119,341)	(112,558)	(331,283)	(338,418)
Gross profit		<u>4,554</u>	<u>2,088</u>	<u>7,355</u>	<u>5,295</u>
Other income		77	33	150	161
Selling and distribution expenses		(647)	(534)	(1,596)	(1,498)
Administrative expenses		(4,629)	(1,899)	(8,342)	(5,026)
Loss from operations		<u>(645)</u>	<u>(312)</u>	<u>(2,433)</u>	<u>(1,068)</u>
Finance costs		(777)	(727)	(2,137)	(2,148)
Loss before tax	10	<u>(1,422)</u>	<u>(1,039)</u>	<u>(4,570)</u>	<u>(3,216)</u>
Income Tax Expense	19	-	-	-	-
Net Loss for the period		<u>(1,422)</u>	<u>(1,039)</u>	<u>(4,570)</u>	<u>(3,216)</u>
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		739	448	1,796	(106)
Revaluation of land and buildings		-	-	-	-
Other comprehensive income/(loss) for the period, net of tax		<u>739</u>	<u>448</u>	<u>1,796</u>	<u>(106)</u>
Total comprehensive loss for the period		<u>(683)</u>	<u>(591)</u>	<u>(2,774)</u>	<u>(3,322)</u>
Total loss attributable to:					
Equity holders of the parent		<u>(1,422)</u>	<u>(1,039)</u>	<u>(4,570)</u>	<u>(3,216)</u>
Total comprehensive loss attributable to:					
Equity holders of the parent		<u>(683)</u>	<u>(591)</u>	<u>(2,774)</u>	<u>(3,322)</u>
Earning per share (sen)					
- Basic	28	(2.21)	(1.62)	(7.11)	(5.00)
- 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 2014 and the accompanying explanatory notes attached to the interim financial statements.

TA WIN HOLDINGS BERHAD (Company No. 291592-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	Note	AS AT END OF CURRENT QUARTER 30-Sep-15 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31-Dec-14 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	37,945	36,390
Investment property		1,350	1,350
		39,295	37,740
CURRENT ASSETS			
Inventories		57,038	46,149
Trade receivables		59,031	62,153
Other receivables, prepayment and deposits		1,118	981
Cash and bank balances		19,957	11,510
		137,144	120,793
TOTAL ASSETS		176,439	158,533
EQUITY			
Equity attributable to equity holders of the parent			
Share capital		64,286	64,286
Share premium		1,798	1,798
Foreign exchange reserve		3,548	1,752
Revaluation reserve		11,258	11,258
Accumulated losses		(24,066)	(19,496)
TOTAL EQUITY		56,824	59,598
CURRENT LIABILITIES			
Borrowings	22	75,829	66,184
Trade payables		23,152	7,619
Other payables		20,634	25,132
		119,615	98,935
TOTAL LIABILITIES		119,615	98,935
TOTAL EQUITY AND LIABILITIES		176,439	158,533
Net assets per share		0.88	0.93
		-	-

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

←— 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 2015	64,286	1,798	11,258	1,752	(19,496)	59,598
Total comprehensive loss for the period	-	-	-	1,796	(4,570)	(2,774)
At 30 September 2015	<u>64,286</u>	<u>1,798</u>	<u>11,258</u>	<u>3,548</u>	<u>(24,066)</u>	<u>56,824</u>
At 1 January 2014	64,286	1,798	11,258	1,618	(14,638)	64,322
Total comprehensive loss for the period	-	-	-	(106)	(3,216)	(3,322)
At 30 September 2014	<u>64,286</u>	<u>1,798</u>	<u>11,258</u>	<u>1,512</u>	<u>(17,854)</u>	<u>61,000</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 2014 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 2015

	9 months ended 30-Sep-15 RM'000	9 months ended 30-Sep-14 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Loss before tax	(4,570)	(2,177)
Adjustments for:		-
Depreciation of property, plant and equipment	3,080	3,037
Gain on disposal of property, plant and equipment	-	(48)
Gain from fair value adjustment of investment property	-	-
Net fair value loss on derivatives	-	-
Interest expenses	2,137	1,421
Interest income	(27)	(24)
Unrealised exchange loss	3,361	609
Net Loss for the period	<u>3,981</u>	<u>2,818</u>
Receivables	3,704	12,520
Other current assets	(11,026)	(14,605)
Payables	11,580	(8,418)
	<u>-</u>	<u>-</u>
Cash from operating activities	<u>8,239</u>	<u>(7,685)</u>
Other comprehensive loss for the period,	(817)	(544)
Interest received	27	24
Total comprehensive loss for the period	<u>(2,137)</u>	<u>(1,421)</u>
Net cash from/(used in) operating activities	<u>5,312</u>	<u>(9,626)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Total comprehensive loss attributable to:		
Purchase of property, plant and equipment	-	(840)
Proceeds from disposal of property, plant and equipment	-	48
Net cash flows used in investing activities	<u>-</u>	<u>(792)</u>
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds from loans and borrowings	9,645	7,106
Repayment of loans and borrowings	(5,453)	(6,597)
Net cash flows from financing activities	<u>4,192</u>	<u>509</u>
Net increase in cash and cash equivalents	9,504	(9,909)
At beginning of financial period	11,510	22,131
Effect of exchange rates changes	(1,057)	201
At end of financial period	<u>19,957</u>	<u>12,423</u>
Cash and cash equivalents comprise:		
Cash and bank balances	19,957	12,423
Deposit pledged with banks	-	-
Net cash and bank balances	<u>19,957</u>	<u>12,423</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 30 SEPTEMBER 2015
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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 2014. 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 2014.

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 2014 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 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

Adoption of the above standards and interpretation did not have any effect on the financial performance or position of the Group and the Company.

Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

	Effective for annual periods beginning on or after
Amendments to MFRS 119: 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
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

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

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

3. Audit Qualification of Preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2014 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 2014.

10. Segmental Reporting

Segment information for the nine months ended 30 September 2015 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 30/09/15	Total RM'000 30/09/14
Revenue							
External sales	291,797	-	46,841	-	-	338,638	343,713
Inter-segment sales	455	-	-	-	(455)	-	-
Total revenue	292,252	-	46,841	-	(455)	338,638	343,713
Results							
Operating (loss)/profit	(16,196)	(103)	(5,118)	63	18,921	(2,433)	(1,068)
Finance costs	(1,415)	-	(722)	-	-	(2,137)	(2,148)
(Loss)/profit before tax	(17,611)	(103)	(5,840)	63	18,921	(4,570)	(3,216)
Income tax expenses	-	-	-	-	-	-	-
(Loss)/profit for the year	(17,611)	(103)	(5,840)	63	18,921	(4,570)	(3,216)
Assets							
Segment assets	203,707	737	58,730	32,461	(119,196)	176,439	168,059
Liabilities							
Segment liabilities	74,467	1,351	48,763	(416)	(4,550)	119,615	107,059

11. Subsequent Event

There were no material events subsequent to the end of the current quarter ended 30 September 2015 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 30 June 2015 except for the following :

a)	30.09.2015	30.09.2014
	RM'000	RM'000
Bank guarantees issued to third party by a subsidiary company	930	930

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 30 September 2015 is RM 42.191 million.

14. Capital Commitments

There were no material capital commitments entered by the Group in this current quarter ended 30 September 2015.

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

15. Performance Analysis

Segment	3 months ended		9 months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Malaysia				
Revenue	105,028	95,405	291,797	288,751
Profit/(loss) before tax	(1,116)	(80)	(735)	353
Hong Kong				
Revenue	-	-	-	2,529
Loss before tax	(37)	(46)	(103)	(138)
People's Republic of China				
Revenue	18,867	18,307	46,841	52,433
Loss before tax	(302)	(1,393)	(3,795)	(3,464)
Other				
Revenue	-	-	-	-
Loss before tax	33	15	63	33
Group Total				
Revenue	123,895	113,712	338,638	343,713
(Loss)/profit before tax	(1,422)	(1,504)	(4,570)	(3,216)

For the 9 months ended 30 September 2015, the Group recorded a decrease in revenue of RM5.075 million to RM 338.638 million, from RM 343.713 million in the same corresponding period ended 30 September 2014. The decrease in revenue was mainly due to lower average selling price caused by the lower LWM price. China's operation had contributed RM3.795 million losses to the Group thus resulted in the Group recorded a loss before tax of RM 4.570 million in the current financial period as compared to a loss before tax of RM 3.216 million in the same corresponding period ended 30 September 2014. China losses was mainly due to very competitive market condition which had resulted in the higher cost of production which could not be passed on to customer and the weakening of the ringgit malaysia

16. Comparison with immediate Preceding Quarter's results

Segment	3 months ended	
	30.09.2015	31.06.2015
	RM'000	RM'000
Malaysia		
Revenue	105,028	99,158
Profit/(loss) before tax	(1,116)	164
Hong Kong		
Revenue	-	-
Profit/(loss) before tax	(37)	(32)
People's Republic of China		
Revenue	18,867	15,961
Profit/(loss) before tax	(302)	(1,809)
Other		
Revenue	-	-
Profit/(loss) before tax	33	24
Group Total		
Revenue	123,895	115,119
Profit/(loss) before tax	(1,422)	(1,653)

For the third quarter under review, the Group's revenue increased by 7.62% to RM 123.895 million as compared to RM 115,119 million in the preceding quarter. The increase of revenue was mainly due to favourable selling price per tonne resulted from recent strengthening of US Dollar. The group registered a loss before tax of RM1.422 million during the third quarter as compared to a loss before tax of RM1.653 million in the previous quarter. However loss before tax decrease due lower material price as the purchases were made before US Dollar rate hike in third quarter as compared to the previous quarter.

17. Commentary on Prospects

The copper rod and wire industry will continue to be a challenge especially the market in China 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 2014.

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 June 2015.

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 30.09.2015 RM'000	As at 31.12.2014 RM'000
Short term borrowings		
Secured	63,831	66,184
Unsecured	11,998	
	<u>75,829</u>	<u>66,184</u>
Borrowings denominated in foreign currency:	Foreign Currency '000	RM'000 Equivalent
Secured		
Ringgit Malaysia		63,831
Chinese Renminbi ("RMB")	17,334	11,998
Total		<u><u>75,829</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 Loss

	As at 30.09.2015	As at 31.12.2014
Total accumulated losses of the Company and its subsidiaries :		
- Realised	(23,764)	(16,973)
- Unrealised	(3,360)	(1,447)
	<u>(27,124)</u>	<u>(18,420)</u>
Less : consolidation adjustments	3,058	(1,076)
Total Group accumulated losses as per consolidated accounts	<u><u>(24,066)</u></u>	<u><u>(19,496)</u></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 30.09.2015 RM'000	Cumulative Qtr 9 months ended 30.09.2015 RM'000
Interest income	(10)	(27)
Rental income	(24)	(70)
Interest expenses	(777)	(2,202)
Depreciation and amortization	940	3,080
Foreign exchange loss	1,152	1,458

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 period.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
(Loss)/Profit for the year attributable to equity holders of the parent (RM'000)	(1,422)	(1,039)	(4,570)	(3,216)
Weighted average number of ordinary shares in issue ('000)	64,286	64,286	64,286	64,286
Basic EPS (sen)	<u>(2.21)</u>	<u>(1.62)</u>	<u>(7.11)</u>	<u>(5.00)</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 24 September 2015.