

CHINAWEST INTERNATIONAL HOLDINGS LIMITED

ACN: 009 230 111

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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**COMMENTARY ON RESULT
AND OTHER SIGNIFICANT INFORMATION****I**

Your directors submit the financial accounts of the economic entity for the year ended 30 June 2006.

DIRECTORS

The names of directors in office at the date of this report are:

Luo Bao Cheng (Chairman)
Charles Sher
Mo Ping
Yang Ge
John McLenaghan
Chong Kim Weng
John Hibberd

REVIEW OF OPERATIONS

In the year to 30 June 2006, ChinaWest International Holdings Limited (ChinaWest) recorded a consolidated operating profit after tax of \$6,219.

During the period under review, the Company focused on:

- revamping marketing and sales strategies in the subsidiaries
- seeking acquisition and joint venture opportunities

Australia

The Directors of the Company has been working on opportunities in China. As reported in the Half Year accounts to 31 December 2005, the company is currently in the process of conducting due diligence on Chongqing Great Industrial Technologies Co. Ltd, a piping technology company based in China. The Company has also released the deposit to Chongqing Great Technology Co. Ltd to assist in its expansion plan. This deposit is refundable in the event that the proposed acquisition did not materialize in the future. The proposed acquisition is still subject to final agreement signed, board approval and other necessary approvals.

As also reported in the Half Year accounts, Mr John McLenaghan was appointed as a Non Executive Director of the Company on 16 December 2005 and Mr Barry MacKinnon has resigned as a non executive director on 2 December 2005. The Company thank him for his past contribution.

China:

The operation has been experiencing increasing in cost over the past 12 months mainly due to rising cost of raw material and fuel cost. The Company has taken steps to improve on its efficiency over the past few months like increasing output capacity, which will reduce unit cost of production and overhaul of electric motor to increase efficiency. The operation has for the financial year produced 217,000 tonnes of cement and 147,000 tonnes of limestone.

The management plans to increase the mining of the limestone quarry to supply its own raw material by operating the crushing plant. In addition, the management has installed 2 dust collection system to improve environmental protection requirement. The operation has renewed its ISO 9001 certification on its product lines and system.

The Company has also started its operation in Armourglass products in the province of Chongqing, China with the intention of marketing its product to other part of the country once it has established its base in Chongqing. In addition, Armourglass has been granted as key supplier in security product in Chongqing.

**COMMENTARY ON RESULT
AND OTHER SIGNIFICANT INFORMATION****2****Singapore**

The Singapore office has been inactive for the last 6 months.

Percentage Change:

Revenues from ordinary activities	Up	4.5%	to	7,281,696
Profit (loss) from ordinary activities after tax attributable to members	Down	96%	to	6,219
Net profit (loss) for the period attributable to members	Down	96%	to	6,219

NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$0.05	\$0.039

Amount per security

	Amount per security	Franked amount per security	Amount per security of foreign source dividend
<i>(Preliminary final report only)</i>			
Final dividend: Current year	NIL ¢	NIL ¢	NIL ¢
Previous year	NIL ¢	NIL ¢	NIL ¢
<i>(Half yearly and preliminary final reports)</i>			
Interim dividend: Current year	NIL ¢	NIL ¢	NIL ¢
Previous year	NIL ¢	NIL ¢	NIL ¢

Total dividend (distribution) per security (interim plus final)

	Current year	Previous year
Ordinary securities	NIL ¢	NIL ¢
Preference securities	NIL ¢	NIL ¢

The dividend or distribution or reinvestment plans shown below are in operation.

N/A	
The last date(s) for receipt of election notices for the dividend or distribution or reinvestment plans	N/A

**COMMENTARY ON RESULT
AND OTHER SIGNIFICANT INFORMATION****3****Loss of control of entities having material effect**

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
Date to which the profit (loss) is calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$
Date to which the profit (loss) is calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

Dividends

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil ¢	Nil ¢
Interim dividend		
Previous corresponding period	Nil ¢	Nil ¢
Record date for determining entitlements to the dividend	N/A	
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market: N/A		

**COMMENTARY ON RESULT
AND OTHER SIGNIFICANT INFORMATION****4****Details of aggregate share of profits (losses) of associates and joint venture entities**

	Current period \$A'000	Previous corresponding period - \$A'000
Name of associates or joint venture entity		
Percentage holdings		
Profit (loss) from ordinary activities before income tax	N/A	N/A
Income tax on ordinary activities		
Profit (loss) from ordinary activities after income tax		
Extraordinary items net of tax		
Net profit (loss)		
Outside ⁺ equity interests		
Net profit (loss) attributable to members		

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the economic entity occurred during the financial period.

N/A

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3:

Current Reporting Period: 30 June 2006

Previous Corresponding Period: 30 June 2005

For and on behalf of the directors:

Luo Bao Cheng

Mr Luo Bao Cheng
Chairman

Dated: 13 September 2006

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006****5**

	Economic Entity	
	30 June 2006	30 June 2005
	\$	\$
Sales revenue	7,281,696	6,967,097
Cost of Sales	<u>(5,409,933)</u>	<u>(4,832,846)</u>
Gross Profit	1,871,763	2,134,251
Other revenue	63	15
 <u>Expenses from Ordinary Activities:</u>		
Other Expenses	-	-
Administration Expenses	(1,365,975)	(1,520,708)
Finance Expenses	(261,312)	(262,557)
Sales & Marketing Expenses	(184,495)	(134,841)
 <u>Significant Items:</u>		
N/A		
Profit (Loss) from Ordinary Activities before Income Tax	<u>60,044</u>	<u>216,160</u>
Income Tax attributable to current year	(53,825)	(31,111)
Income Tax- under provision from previous year	-	(29,460)
Profit (Loss) from Ordinary Activities after income tax	6,219	155,589
Profit (Loss) attributable to Outside equity interests	-	9,429
Net Profit attributable to members of Parent Entity	<u>6,219</u>	<u>165,018</u>
Net exchange difference on translation of Foreign Entity	(694,057)	(1,048,500)
Total changes other than resulting from transaction with owners	<u><u>(687,838)</u></u>	<u><u>(883,482)</u></u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2006****6**

		Economic Entity	
		30 th June 2006 \$	30 th June 2005 \$
CURRENT ASSETS			
Cash Assets	2	105,448	881,352
Receivable	3	2,137,867	1,812,371
Others		-	-
Inventories	4	<u>611,910</u>	<u>711,981</u>
TOTAL CURRENT ASSETS		<u>2,855,225</u>	<u>3,405,704</u>
NON-CURRENT ASSETS			
Other Financial Assets		-	16,699
Receivables	3	840,336	-
Property, plant and equipment	6	5,588,896	5,310,239
Intangibles Assets	7	<u>10,078,291</u>	<u>9,899,122</u>
TOTAL NON-CURRENT ASSETS		<u>16,507,523</u>	<u>15,226,060</u>
TOTAL ASSETS		19,362,748	18,631,765
CURRENT LIABILITIES			
Payables	8	1,527,415	1,493,157
Interest Bearing Liabilities	9	366,056	364,766
Current Tax Liabilities		251,835	306,285
Provisions	10	<u>10,621</u>	<u>15,623</u>
TOTAL CURRENT LIABILITIES		<u>2,155,927</u>	<u>2,179,831</u>
NON-CURRENT LIABILITIES			
Payables	8	253,608	264,796
Interest Bearing Liabilities	9	<u>3,766,282</u>	<u>3,666,918</u>
TOTAL NON CURRENT LIABILITIES		<u>4,019,890</u>	<u>3,931,714</u>
TOTAL LIABILITIES		6,175,817	6,111,545
NET ASSETS		<u>13,186,931</u>	<u>12,520,219</u>
EQUITY			
Contributed Equity	11	13,621,570	13,621,570
Reserves	12	(364,254)	(1,065,605)
Accumulated losses	13	(70,385)	(35,746)
Parent Entity Interest		<u>13,186,931</u>	<u>12,520,219</u>
Minority Interest		-	-
TOTAL EQUITY		<u>13,186,931</u>	<u>12,520,219</u>

The accompanying notes form part of these financial statements

**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

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		Economic Entity	
		30 June	30 June
		2006	2005
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
		6,764,944	6,841,681
		(6,365,325)	(6,723,709)
		1,766	15
		(108,685)	(230,107)
		-	-
		-----	-----
Net cashed provided by (used in) operating activities	15	292,700	(112,120)
		-----	-----
CASH FLOW FROM INVESTING ACTIVITIES			
		-	19,531
		-	-
		(831,255)	-
		(287,000)	(230,599)
		-----	-----
Net cash provided by (used in) operating activities		(1,118,255)	(211,068)
		-----	-----
CASH FLOW FROM FINANCING ACTIVITIES			
		-	1,050,700
		-	(19,675)
		-	(713,172)
		(44,255)	-
		-----	-----
Net cash provided by (used in) operating activities		(44,255)	317,853
		-----	-----
Net increase (decrease) in cash held		(869,810)	(5,335)
Cash at beginning of the year		881,352	968,713
Cash from controlled entity acquired		-	-
Effect of foreign exchange rate movement		93,906	(82,026)
		-----	-----
Cash at the end of the year	2	105,448	881,352
		=====	=====

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006****8**

Economic Entity	Total
Balance at 1 July 2004	<u>13,443,676</u>
Profit attributable to members of parent entity and minority	216,160
Foreign Currency Change and Reserve Transferred	<u>(1,139,617)</u>
Sub-total	12,520,219
Dividends paid or provided for	-
Balance at 30 June 2005	<u>12,520,219</u>
Balance at 1 July 2005	12,520,219
Profit attributable to members of parent entity	60,044
Foreign Currency Change and Reserve Transferred	<u>606,668</u>
Sub-total	13,186,931
Dividends paid or provided for	-
Balance at 30 June 2006	<u>13,186,931</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****9**

	Economic Entity	
	2006	2005
	\$	\$
NOTE 1: OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Operating loss before income tax from ordinary activities has been determined after:		
(a) Crediting as Revenue		
Interest revenue	63	15
(b) Charging as Expense		
Interest expense	<u>261,312</u>	<u>262,557</u>
The following significant expenses are as follows:		
	-	-
Total Significant Items	-----	-----
	-	-
NOTE 2: CURRENT ASSETS – CASH		
Cash at bank and on hand	105,448	881,352
Deposits at call	-	-
	-----	-----
	105,448	881,352
	=====	=====
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	105,448	881,352
Less: Bank overdrafts	-	-
	-----	-----
	105,448	881,352
	=====	=====
NOTE 3: RECEIVABLES		
Current		
Trade debtors	732,952	485,564
Other debtors	1,404,915	1,326,807
	-----	-----
	2,137,867	1,812,371
<u>Less:</u>		
Provision for non-recoverability	-	-
	-----	-----
	2,137,867	1,812,371
	=====	=====
Non Current		
Other debtors	840,336	-
	-----	-----
	840,336	-
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****10**

	2006	2005
NOTE 4: INVENTORIES		
Current, at cost		
- Raw materials and stores	566,431	608,659
- Work in progress	28,820	31,583
- Finished Goods	33,284	87,611
Provision	(16,625)	(15,872)
	<u>611,910</u>	<u>711,981</u>
	=====	=====
NOTE 5: NON FINANCIAL ASSETS		
Non Current		
Shares in other entities	16,549	16,549
Units in unit trust – At cost	150	150
	<u>16,699</u>	<u>16,699</u>
Provision for diminution in value	(16,699)	-
	<u>-</u>	<u>16,699</u>
	=====	=====
NOTE 6: PROPERTY, PLANT & EQUIPMENT		
Property, Plant and equipment ,building		
- At cost	9,265,079	8,579,094
Accumulated depreciation	(4,289,592)	(3,776,141)
	<u>4,975,487</u>	<u>4,802,953</u>
	-----	-----
Motor Vehicle		
- At cost	730,548	605,946
Accumulated amortisation	(123,627)	(123,792)
	<u>606,921</u>	<u>482,154</u>
	-----	-----
Work in Progress	6,488	25,132
	<u>6,488</u>	<u>25,132</u>
	-----	-----
Total Property, Plant and Equipment and Land	<u>5,588,896</u>	<u>5,310,239</u>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****11**Movement in carrying value of property, plant and equipment including WIP:

Economic Entity	Plant and Equipment And Building	Motor vehicle	Total
Balance at Beginning	4,828,085	482,154	5,310,239
Addition/ Disposal	391,293 (105,535)	178,074 (42,853)	569,367 (148,388)
Depreciation	(337,426)	(29,969)	(367,395)
Work in progress	6,488	-	6,488
Foreign Exchange Translation	199,070	19,515	218,585
Carrying Value at end of year	<u>4,981,975</u>	<u>606,921</u>	<u>5,588,896</u>
		2006	2005

NOTE 7: INTANGIBLES ASSETS

Land use rights & mining rights	8,400,108	8,220,939
Goodwill on Consolidation	1,678,183	1,678,183
	<u>10,078,291</u>	<u>9,899,122</u>

NOTE 8: PAYABLES**Current**

Trade Creditors	533,699	536,411
Sundry Creditors	993,716	956,746
	<u>1,527,415</u>	<u>1,493,157</u>

Non Current

Other	253,608	264,796
	<u>253,608</u>	<u>264,796</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****12**

	2006	2005
NOTE 9: INTEREST BEARING LIABILITIES		
Current		
Due to Directors	72,795	74,504
Other Loan	13,389	13,389
Term Loan	254,511	234,881
Lease Liability	25,361	41,992
	<u>366,056</u>	<u>364,766</u>
Non-Current		
Lease liability	142,550	149,078
Term Loan	3,623,732	3,517,840
	<u>3,766,282</u>	<u>3,666,918</u>
NOTE 10: PROVISIONS		
Provisions for annual leave	<u>10,621</u>	<u>15,623</u>
NOTE 11: SHARE CAPITAL		
(a) Paid Up Capital		
Fully Paid Ordinary shares		
Opening balance	13,621,570	13,621,570
<u>Issue of shares:</u>		
Nil		
Closing Balance	<u>13,621,570</u>	<u>13,621,570</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****13**

	2006	2005
NOTE 12: RESERVES		
Foreign Currency Translation Reserve	(179,878)	(873,935)
General Reserve	288,813	247,955
Minority Interest	(473,189)	(439,625)
	<u>(364,254)</u>	<u>(1,065,605)</u>
Foreign Currency Translation Reserve & others		
- Opening balance	(625,980)	343,617
- general reserve	40,858	78,903
- Arising from the translation of foreign controlled entities	694,057	(1,048,500)
- Minority Interest	(473,189)	(439,625)
	<u>(364,254)</u>	<u>(1,065,605)</u>
NOTE 13: ACCUMULATED LOSSES		
Accumulated Losses at the Beginning of the financial year	(35,746)	(121,861)
Net profit for the financial Year	6,219	165,018
Transfer to Reserve	(40,858)	(78,903)
Accumulated Profit at the End of the financial year	<u>(70,385)</u>	<u>(35,746)</u>

NOTE 14: EARNINGS PER SHARE

	Cents per Share	
	2006	2005
Basic earnings/(loss) per share	0.00010	0.0025

Options are considered to be potential ordinary shares. However, they are not considered to be dilutive in nature as their exercise will not result in a diluted earnings per share that shows an inferior view of the earnings performance of the company than is shown by a basic earnings per share. Consequently, diluted earnings per share have not been disclosed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****14****NOTE 15: STATEMENT OF CASH FLOWS****(a) Reconciliation of Cash**

For the purposes of this statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.

(b) Reconciliation of Cash Flow from Operations with Operating Profit (Loss) after Income Tax

	2006	2005
	\$	\$
Operating profit (loss)		
after income tax	6,219	155,589
Non-cash flows in		
operating profit (loss)		
- Amortisation of fixed assets	-	612,943
- Amortisation		
- intellectual property	-	-
- Bad Debts		
- written off	-	-
- Writedown of Investment	-	-
Changes in assets & liabilities		
- Decrease (Increase)		
in receivables & others	(325,226)	685,569
- Decrease (Increase)		
in inventories	100,072	(254,764)
- Increase (Decrease) in trade		
creditors	34,258	(1,324,941)
- (Decrease) Increase in		
other creditors/provisions	351,017	(142,986)
- Increase (Decrease) in provision for liabilities	126,360	156,470
- Capital raising cost	-	-
	<u>292,700</u>	<u>(112,120)</u>

NOTE 16: SUBSEQUENT EVENT

Nil

NOTE 17: SEGMENT REPORTING

See Appendix A

STATUS OF AUDIT**15**

This Preliminary Final Report is based on accounts to which one of the followings applies:

The accounts have been audited

The accounts are in the process of being audited or subject to review

The accounts have been subjected to review

The accounts have not been audited or reviewed

Description of likely dispute or qualification if the accounts have not been yet audited or subject to review or are in the process of being audited or subjected to review

None Noted

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006****16****APPENDIX A:****Primary Reporting: Geographical Segments**

	Singapore		China		Australia		Malaysia		Elimination Entity		Economic Entity	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales to customers outside the group	-	-	7,281,696	6,967,097	-	-	-	-	-	-	7,281,696	6,967,097
Intersegment Sales	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	261,715	15	-	-	(261,652)	-	63	15
Total revenue	-	-	7,281,696	6,967,097	261,715	15	-	-	(261,652)	-	7,281,759	6,967,112
Segment results	(19,549)	(55,082)	326,213	557,133	(256,063)	(262,319)	-	(23,572)	9,443	(88,326)	60,044	127,834
Segment Assets	230,343	203,031	18,597,501	17,825,247	14,419,925	13,855,707	-	-	(13,885,021)	(13,340,547)	19,362,748	18,543,438
Segment Liabilities	(357,324)	(297,113)	(6,004,382)	(5,947,990)	(1,921,209)	(1,100,928)	(1,288,204)	(1,204,295)	3,395,302	2,438,781	(6,175,817)	(6,111,545)

The economic entity operates predominantly in the following geographical regions:

- Australia
- Malaysia
- China
- Singapore

Secondary Reporting: Industry Segments

The economic entity operates predominantly in two industry, being the supply of glass related products and technology and the manufacture and sale of building products.

