



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019 - UNAUDITED

	Unaudited As at 31.03.19 RM'000	Audited As at 30.06.18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	154,436	138,961
Investment properties	4,824	4,858
Other investment	168	168
	<u>159,428</u>	<u>143,987</u>
Current assets		
Inventories	238,379	237,172
Trade and other receivables	182,158	161,149
Current tax assets	5,391	5,121
Cash and bank balances	134,111	117,656
	<u>560,039</u>	<u>521,098</u>
TOTAL ASSETS	<u>719,467</u>	<u>665,085</u>
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	385,533	365,296
Total equity	<u>563,462</u>	<u>543,225</u>
Non-current liabilities		
Deferred tax liabilities	7,687	7,905
Current liabilities		
Trade and other payables	32,776	38,599
Borrowings	101,884	73,072
Dividend payables	13,214	-
Current tax liabilities	444	2,284
	<u>148,318</u>	<u>113,955</u>
Total liabilities	<u>156,005</u>	<u>121,860</u>
TOTAL EQUITY AND LIABILITIES	<u>719,467</u>	<u>665,085</u>
Net assets per share (RM)	1.92	1.85

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 2018. 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 2019 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
Revenue	173,024	142,778	514,504	441,249
Cost of sales	<u>(149,237)</u>	<u>(124,370)</u>	<u>(435,798)</u>	<u>(367,895)</u>
Gross profit	23,787	18,408	78,706	73,354
Other income	759	1,505	5,016	5,015
Administrative expenses	(5,897)	(5,151)	(17,581)	(18,886)
Selling and distribution expenses	<u>(3,015)</u>	<u>(3,822)</u>	<u>(8,995)</u>	<u>(12,506)</u>
Operating profit	15,634	10,940	57,146	46,977
Finance costs	<u>(794)</u>	<u>(412)</u>	<u>(2,254)</u>	<u>(857)</u>
Profit before tax	14,840	10,528	54,892	46,120
Tax expense	<u>(2,519)</u>	<u>(1,970)</u>	<u>(8,971)</u>	<u>(8,234)</u>
Profit for the financial period/year	12,321	8,558	45,921	37,886
Other comprehensive income/(loss), net of tax				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	<u>(2,538)</u>	<u>(19,907)</u>	<u>314</u>	<u>(23,501)</u>
Total comprehensive income attributable to the owners of the company for the financial period/year	<u>9,783</u>	<u>(11,349)</u>	<u>46,235</u>	<u>14,385</u>
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	<u>4.19</u>	<u>2.88</u>	<u>15.63</u>	<u>12.74</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 2018. 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 2019 - 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 2018	177,929	-	(9,424)	26,425	348,295	543,225
	<i>Note (1)</i>					
Foreign exchange differences on translation	-	-	-	314	-	314
Profit for the financial year	-	-	-	-	45,921	45,921
Total comprehensive income for the financial year	-	-	-	314	45,921	46,235
Transactions with owners:						
Purchase of treasury shares	-	-	(738)	-	-	(738)
Dividends	-	-	-	-	(25,260)	(25,260)
Total transactions with owners	-	-	(738)	-	(25,260)	(25,998)
At 31 March 2019	177,929	-	(10,162)	26,739	368,956	563,462
At 1 July 2017	177,929	-	(3)	41,818	313,780	533,524
Foreign exchange differences on translation	-	-	-	(23,501)	-	(23,501)
Profit for the financial year	-	-	-	-	37,886	37,886
Total comprehensive income for the financial year	-	-	-	(23,501)	37,886	14,385
Transaction 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)
Transition to no-par value regime on 31 January 2017	-	-	-	-	-	-
At 31 March 2018	177,929	-	(8,340)	18,317	330,296	518,202

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 2018. 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 2019 - UNAUDITED

	31.03.19	31.03.18
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	54,892	46,120
Adjustments for:		
Depreciation	8,392	14,185
Gain on disposal of property, plant and equipment	(21)	(170)
Impairment loss charge on receivables	48	280
Interest expense	2,254	857
Interest income	(2,095)	(2,185)
Property, plant and equipment written off	-	5
Inventory written down	-	-
Unrealised loss on foreign exchange	1,602	3,000
Operating profit before working capital changes	65,072	62,092
(Increase)/Decrease in inventories	(1,198)	2,804
Increase in receivables	(22,267)	(47,423)
(Decrease)/Increase in payables	(6,412)	3,448
Cash from operation	35,195	20,921
Interest paid	(2,255)	(857)
Income tax paid	(11,312)	(9,817)
Net cash from operating activities	21,628	10,247
Cash flows from investing activities		
Interest received	2,095	2,185
Proceeds from disposal of property, plant and equipment	2	207
Purchase of property, plant and equipment	(23,904)	(11,415)
Net cash used in investing activities	(21,807)	(9,023)
Cash flows from financing activities		
Dividend paid	(12,046)	(9,882)
Net change in borrowings	29,396	9,314
Purchase of treasury shares	(738)	(8,337)
Net cash from/(used in) financing activities	16,612	(8,905)
Net increase/(decrease) in cash and bank balances	16,433	(7,681)
Effect of changes in exchange rate on cash and bank balances	22	(5,323)
Cash and bank balances at beginning	117,656	113,914
Cash and bank balances at end	134,111	100,910

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 2018. 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 2018 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 2018.

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 2018

MFRS 9 Financial Instruments

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 2 Share-based Payment: 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 ("IC Int") 22 Foreign Currency Transactions and Advance Consideration

The initial application of the above standards does not have any significant 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 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 2018 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	478,200	737,811
Repurchase of own shares as of 31.03.2019	<u>5,884,300</u>	<u>10,161,792</u>

A8. Dividend Paid

The dividend paid during the current reporting period and the previous corresponding period is as per below:

	Financial period ended 31.03.19 RM
Second interim single tier dividend paid on 27 September 2018 for the financial year ended 30 June 2018 - 4.1 sen per ordinary share	12,046,405
	<u>12,046,405</u>
	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	9,881,951
	<u>9,881,951</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	Elimination/ Adjustment RM'000	Group RM'000
9 months ended 31 March 2019					
Revenue					
External revenue	388,614	125,890	-	-	514,504
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>388,614</u>	<u>125,890</u>	<u>-</u>	<u>-</u>	<u>514,504</u>
Results					
Segment profit	57,070	6,158	215	-	63,443
Finance costs	(1,344)	(910)	-	-	(2,254)
Interest income	1,540	69	486	-	2,095
Depreciation	(6,229)	(2,163)	-	-	(8,392)
Profit before tax	<u>51,037</u>	<u>3,154</u>	<u>701</u>	<u>-</u>	<u>54,892</u>
Segment assets	<u>567,271</u>	<u>135,086</u>	<u>340,865</u>	<u>(323,755)</u>	<u>719,467</u>
Segment liabilities	<u>92,548</u>	<u>51,305</u>	<u>13,387</u>	<u>(1,235)</u>	<u>156,005</u>

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
9 months ended 31 March 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>

(ii) Analysis by geographical segments

	<u>Revenue</u> 9 months		<u>Non-current Assets*</u>	
	ended 31.03.19 RM'000	ended 31.03.18 RM'000	as at 31.03.19 RM'000	as at 31.03.18 RM'000
Malaysia	184,314	154,194	97,260	88,506
Vietnam	4,892	3,528	62,000	56,350
Other Asian countries	66,046	45,467	-	-
European countries	177,729	187,869	-	-
Others	81,523	50,191	-	-
	<u>514,504</u>	<u>441,249</u>	<u>159,260</u>	<u>144,856</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 2018.

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.

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> 3 months ended		Changes		<u>Cumulative Quarter</u> 9 months ended		Changes	
	31.03.19 RM'000	31.03.18 RM'000	RM'000	%	31.03.19 RM'000	31.03.18 RM'000	RM'000	%
<u>Revenue - Business Segments</u>								
-- Fasteners Products	130,676	101,692	28,984	28.5%	388,614	334,719	53,895	16.1%
-- Wire Products	42,348	41,086	1,262	3.1%	125,890	106,530	19,360	18.2%
	<u>173,024</u>	<u>142,778</u>	<u>30,246</u>	<u>21.2%</u>	<u>514,504</u>	<u>441,249</u>	<u>73,255</u>	<u>16.6%</u>
<u>Profit/(Loss) before interest & tax</u>								
-- Fasteners Products	15,430	11,167	4,263	38.2%	52,381	45,063	7,318	16.2%
-- Wire Products	61	(263)	324	-123.2%	4,064	2,401	1,663	69.3%
-- Investment Holding	143	36	107	297.2%	701	(487)	1,188	-243.9%
	<u>15,634</u>	<u>10,940</u>	<u>4,694</u>	<u>42.9%</u>	<u>57,146</u>	<u>46,977</u>	<u>10,169</u>	<u>21.6%</u>
<u>Profit/(Loss) before tax</u>								
-- Fasteners Products	14,955	10,929	4,026	36.8%	51,037	44,491	6,546	14.7%
-- Wire Products	(258)	(437)	179	-41.0%	3,154	2,116	1,038	49.1%
-- Investment Holding	143	36	107	297.2%	701	(487)	1,188	-243.9%
	<u>14,840</u>	<u>10,528</u>	<u>4,312</u>	<u>41.0%</u>	<u>54,892</u>	<u>46,120</u>	<u>8,772</u>	<u>19.0%</u>
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>								
-- Fasteners Products	12,332	8,855	3,477	39.3%	42,940	36,770	6,170	16.8%
-- Wire Products	(196)	(332)	136	-41.0%	2,397	1,608	789	49.1%
-- Investment Holding	185	35	150	428.6%	584	(492)	1,076	-218.7%
	<u>12,321</u>	<u>8,558</u>	<u>3,763</u>	<u>44.0%</u>	<u>45,921</u>	<u>37,886</u>	<u>8,035</u>	<u>21.2%</u>

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 RM514.50 million and RM54.89 million respectively. Both the Fasteners and Wire Products Division had contributed positively to the 16.6% increase in Group revenue. The profit before tax of the group improved by 19.0%, due both to the increase in revenue and lower administrative and selling and distribution expenses.

The equity attributable to the owners of the Company stands at RM563.46 million as at 31.03.2019 as compared to RM543.23 million as at 30.6.2018 after the declaration of dividends amounting to RM25.26 million in the current financial period. The Group's borrowings increased by RM28.81 million to RM101.88 million as at the end of the current reporting period, which was utilised to finance the construction of an automated warehouse and upgrading of facilities in the Wire Division. Nevertheless, the Group is still in a net cash position of RM32.23 million.

Individual Quarter:

Fasteners Products

The Fasteners Products Division recorded an increase in its revenue to RM130.68 million in the current reporting quarter which represents an increase of 28.5% as compared to the preceding year corresponding quarter. Profit before tax of the division increased by 36.8% in the current reporting quarter in line with the higher revenue achieved.

Wire Products

The Wire Products Division achieved an increase of 3.1% in its current quarter revenue as compared to RM41.09 million in the preceding year corresponding quarter. The loss before tax of the division reduced by RM0.18mil in the current quarter as compared to loss before tax of RM0.44mil in the preceding year corresponding quarter.

Financial Year-To-Date Results:

The Group recorded a total revenue of RM514.50 million and a profit before tax of RM54.89 million in the current financial year to date.

Fasteners Products Division

The division recorded a total revenue of RM388.61 million and profit before tax of RM51.04 million in the current financial period to date which represents an increase of 16.1% in revenue and 14.7% in profit before tax. Beside the higher revenue, reduction in selling and distribution cost had resulted in the improvement of performance of the division.

Wire Products Division

The Wire Products Division recorded revenue of RM125.89 million and profit before tax of RM3.15 million in the current financial period to date. The increase of revenue by 18.2% in the current reporting period contributed to the better result of the division where its profit before tax improved by 49.1%.

B2. Variation of Results Against Preceding Quarter

	3 months ended	3 months ended	Changes	
	31.03.19 RM'000	31.12.18 RM'000	RM'000	%
<u>Revenue - Business Segments</u>				
-- Fasteners Products	130,676	123,293	7,383	5.99%
-- Wire Products	42,348	41,851	497	1.19%
	<u>173,024</u>	<u>165,144</u>	7,880	4.77%
<u>Profit/(Loss) before interest & tax</u>				
-- Fasteners Products	15,430	17,570	(2,140)	-12.18%
-- Wire Products	61	1,569	(1,508)	-96.11%
-- Investment Holding	143	219	(76)	-34.70%
	<u>15,634</u>	<u>19,358</u>	(3,724)	-19.24%
<u>Profit/(Loss) before tax</u>				
-- Fasteners Products	14,955	17,100	(2,145)	-12.54%
-- Wire Products	(258)	1,207	(1,465)	-121.38%
-- Investment Holding	143	219	(76)	34.70%
	<u>14,840</u>	<u>18,526</u>	(3,686)	-19.90%
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>				
-- Fasteners Products	12,332	14,688	(2,356)	-16.04%
-- Wire Products	(196)	918	(1,114)	121.35%
-- Investment Holding	185	62	123	-198.39%
	<u>12,321</u>	<u>15,668</u>	(3,347)	-21.36%

The Group recorded a total revenue of RM173.02 million and profit before tax of RM14.84 million for the current quarter under review.

Fasteners Products

The revenue for the Fastener Products Division was RM 130.68 million in the current quarter as compared to RM123.29 million in the immediate preceding quarter. However the profit before tax of the division dropped by 12.54% to RM14.96 mil in the current quarter due to lower profit margin as the Division was affected by the increase in raw material cost. The strengthening of MYR against USD had resulted in higher unrealised forex loss in the current reporting quarter as compared to the immediate preceding quarter.

Wire Products

The Wire Products Division recorded a revenue of RM42.35 million in the current reporting quarter as compared to the RM41.85 million in the immediate preceding quarter. However, the Wire division registered a loss before tax of RM258k as compared to profit before tax of RM1.21 million in the immediate preceding quarter as the rising raw material cost in the current quarter had eroded the profit margin of the division.

B3. Prospects

The market outlook for the Group in the current financial year is expected to remain challenging. The main factors that may affect the Group's performance will be the trend of the market demand in addition to the volatility of the raw material price. The unexpected global market movement and political issues will impact the changes in the raw material cost and bottom line of the Group. In order to cushion the stress from the safeguard duty which 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.

The trade war between the US government and China had created market uncertainties in Europe and US but at the same times it has also offered opportunity for the Group to strengthen its position in US in the event that imported goods from China to the US market is reduced in future. The Group expects its DIY segment will continue to contribute positively to the Group'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	2,932	8,392
Impairment loss reverse on receivables	(60)	48
Interest expense	794	2,254
Interest income	(882)	(2,095)
Gain on disposal of property, plant and equipment	(1)	(21)
Property, plant and equipment written off	-	-
Unrealised loss on foreign exchange	1,450	1,602
Realised gain/(loss) on foreign exchange	1,889	499
Rental income	(292)	(395)

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	
	31.03.19 RM'000	31.03.18 RM'000	31.03.19 RM'000	31.03.18 RM'000
- Current tax	(2,519)	(1,970)	(8,971)	(8,234)
- Deferred tax liabilities	-	-	-	-
	<u>(2,519)</u>	<u>(1,970)</u>	<u>(8,971)</u>	<u>(8,234)</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 31.03.2019	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	29,261	29,261
Onshore foreign currency loans	72,623	-	72,623
Short term loans	-	-	-
	<u>72,623</u>	<u>29,261</u>	<u>101,884</u>
As as 31.03.2018			
Secured:			
Short term			
Bankers acceptance	-	15,698	15,698
Onshore foreign currency loans	41,064	-	41,064
Short term loans	-	-	-
	<u>41,064</u>	<u>15,698</u>	<u>56,762</u>

- a. The total borrowings as at the end of the reporting period had increased to RM101.88 million as compared to RM56.76 million as of 31.03.2018. Additional borrowings had been drawn down during the current financial period to date to finance the construction of an automated warehouse and upgrading of facilities in the Wire Division. Hence the total finance cost in the current financial period to date increased to RM0.79 mil as compared to RM0.41 mil in the preceding year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	31.03.19	31.03.18
	%	%
Borrowings denominated in RM		
- Bankers acceptance	3.84	3.80
Borrowings denominated in USD		
- Onshore foreign currency loans	2.75	1.91

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	30.6.2019	30.6.2018
Declared and approved on	26.2.2019	27.2.2018
Entitlement date	26.4.2019	26.4.2018
Payment date	21.5.2019	24.5.2018
Dividend per share	4.50 sen	3.90 sen
Dividend % (Single Tier)	9.0% (single tier)	7.8% (single tier)
Net dividend payable	RM13,214,199	RM11,488,092

b. The total dividend declared for the current financial year ended 30 June 2019 is 4.50 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:

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.03.19	31.03.18	31.03.19	31.03.18
Profit after tax				
Attributable to owners of the Company (RM'000)	12,321	8,558	45,921	37,886
Weighted average number of ordinary shares ('000)	293,774	297,473	293,774	297,473
Basic Earnings Per Share (sen)	4.19	2.88	15.63	12.74

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	4.19	2.88	15.63	12.74
----------------------------------	------	------	-------	-------

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.