



CHIN WELL HOLDINGS BERHAD

(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 - UNAUDITED

	Unaudited As at 30.06.19 RM'000	Audited As at 30.06.18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	154,282	138,961
Investment properties	4,790	4,858
Other investment	-	168
	<u>159,072</u>	<u>143,987</u>
Current assets		
Inventories	266,300	237,172
Trade and other receivables	149,078	161,149
Current tax assets	5,537	5,121
Cash and bank balances	124,217	117,656
	<u>545,132</u>	<u>521,098</u>
TOTAL ASSETS	<u>704,204</u>	<u>665,085</u>
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	399,439	365,296
Total equity	<u>577,368</u>	<u>543,225</u>
Non-current liabilities		
Deferred tax liabilities	8,396	7,905
Current liabilities		
Trade and other payables	29,276	38,599
Borrowings	89,164	73,072
Dividend payables	-	-
Current tax liabilities	-	2,284
	<u>118,440</u>	<u>113,955</u>
Total liabilities	<u>126,836</u>	<u>121,860</u>
TOTAL EQUITY AND LIABILITIES	<u>704,204</u>	<u>665,085</u>
Net assets per share (RM)	1.97	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 12 MONTHS PERIOD ENDED 30 JUNE 2019 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Revenue	166,225	150,045	680,729	591,294
Cost of sales	<u>(146,970)</u>	<u>(124,600)</u>	<u>(582,768)</u>	<u>(492,495)</u>
Gross profit	19,255	25,445	97,961	98,799
Other income	3,808	2,802	8,824	7,817
Administrative expenses	(5,914)	(4,544)	(23,495)	(23,430)
Selling and distribution expenses	<u>(2,449)</u>	<u>(2,563)</u>	<u>(11,444)</u>	<u>(15,069)</u>
Operating profit	14,700	21,140	71,846	68,117
Finance costs	<u>(770)</u>	<u>(523)</u>	<u>(3,024)</u>	<u>(1,380)</u>
Profit before tax	13,930	20,617	68,822	66,737
Tax expense	<u>(2,274)</u>	<u>(2,618)</u>	<u>(11,245)</u>	<u>(10,852)</u>
Profit for the financial period/year	11,656	17,999	57,577	55,885
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>2,252</u>	<u>8,108</u>	<u>2,566</u>	<u>(15,393)</u>
Total comprehensive income attributable to the owners of the company for the financial period/year	<u>13,908</u>	<u>26,107</u>	<u>60,143</u>	<u>40,492</u>
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	<u>3.97</u>	<u>6.07</u>	<u>19.60</u>	<u>18.83</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 12 MONTHS PERIOD ENDED 30 JUNE 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	- <i>Note (1)</i>	(9,424)	26,425	348,295	543,225
Foreign exchange differences on translation	-	-	-	2,566	-	2,566
Profit for the financial year	-	-	-	-	57,577	57,577
Total comprehensive income for the financial year	-	-	-	2,566	57,577	60,143
Transactions with owners:						
Purchase of treasury shares	-	-	(740)	-	-	(740)
Dividends	-	-	-	-	(25,260)	(25,260)
Total transactions with owners	-	-	(740)	-	(25,260)	(26,000)
At 30 June 2019	<u>177,929</u>	<u>-</u>	<u>(10,164)</u>	<u>28,991</u>	<u>380,612</u>	<u>577,368</u>
At 1 July 2017	177,929	-	(3)	41,818	313,780	533,524
Foreign exchange differences on translation	-	-	-	(15,393)	-	(15,393)
Profit for the financial year	-	-	-	-	55,885	55,885
Total comprehensive income for the financial year	-	-	-	(15,393)	55,885	40,492
Transaction with owners:						
Purchase of treasury shares	-	-	(9,421)	-	-	(9,421)
Dividends	-	-	-	-	(21,370)	(21,370)
Total transactions with owners	-	-	(9,421)	-	(21,370)	(30,791)
Transition to no-par value regime on 31 January 2017			-	-	-	-
At 30 June 2018	<u>177,929</u>	<u>-</u>	<u>(9,424)</u>	<u>26,425</u>	<u>348,295</u>	<u>543,225</u>

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 12 MONTHS PERIOD ENDED 30 JUNE 2019 - UNAUDITED

	30.06.19	30.06.18
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	68,822	66,737
Adjustments for:		
Depreciation	11,727	17,709
Gain on disposal of property, plant and equipment	(25)	(170)
Impairment loss reverse on receivables	(97)	(326)
Interest expense	3,024	1,380
Interest income	(3,580)	(3,965)
Other investement written off	102	-
Property, plant and equipment written off	2	5
Inventory written down	127	451
Unrealised loss on foreign exchange	851	1,551
	80,953	83,372
Operating profit before working capital changes	80,953	83,372
Increase in inventories	(28,196)	(16,714)
Decrease/(Increase) in receivables	11,234	(42,229)
(Decrease)/Increase in payables	(9,522)	9,999
	54,469	34,428
Cash from operation	54,469	34,428
Interest paid	(3,024)	(1,380)
Income tax paid	(13,475)	(12,394)
	37,970	20,654
Net cash from operating activities	37,970	20,654
Cash flows from investing activities		
Interest received	3,580	3,965
Proceeds from disposal of property, plant and equipment	25	174
Purchase of property, plant and equipment	(26,366)	(11,753)
Net cash used in investing activities	(22,761)	(7,614)
Cash flows from financing activities		
Dividend paid	(25,260)	(21,370)
Net change in borrowings	17,560	24,159
Purchase of treasury shares	(740)	(9,421)
Net cash used in financing activities	(8,440)	(6,632)
Net increase in cash and bank balances	6,769	6,408
Effect of changes in exchange rate on cash and bank balances	527	(3,401)
Cash and bank balances at beginning	116,921	113,914
Cash and bank balances at end	124,217	116,921

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	479,200	739,654
Repurchase of own shares as of 30.06.2019	5,885,300	10,163,635

A8. Dividend Paid

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

	Financial period ended 30.06.19 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
First interim single tier dividend paid on 21 May 2019 for the financial year ended 30 June 2019	
- 4.5 sen per ordinary share	<u>13,214,199</u>
	<u>25,260,604</u>
	Financial period ended 30.06.18 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
First interim single tier dividend paid on 24 May 2018 for the financial year ended 30 June 2018	
-3.9 sen per ordinary share	<u>11,488,092</u>
	<u>21,370,043</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
12 months ended 30 June 2019					
Revenue					
External revenue	515,495	165,234	-	-	680,729
Inter-segment revenue	-	-	20,501	(20,501)	-
Total revenue	<u>515,495</u>	<u>165,234</u>	<u>20,501</u>	<u>(20,501)</u>	<u>680,729</u>
Results					
Segment profit	73,502	6,770	22,708	(22,987)	79,993
Finance costs	(1,755)	(1,269)	-	-	(3,024)
Interest income	2,773	139	668	-	3,580
Depreciation	(8,630)	(3,097)	-	-	(11,727)
Profit before tax	<u>65,890</u>	<u>2,543</u>	<u>23,376</u>	<u>(22,987)</u>	<u>68,822</u>
Segment assets	<u>579,069</u>	<u>122,899</u>	<u>327,749</u>	<u>(325,513)</u>	<u>704,204</u>
Segment liabilities	<u>98,361</u>	<u>39,838</u>	<u>386</u>	<u>(11,749)</u>	<u>126,836</u>

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
12 months ended 31 June 2018					
Revenue					
External revenue	449,324	141,970	-	-	591,294
Inter-segment revenue	-	-	54,428	(54,428)	-
Total revenue	<u>449,324</u>	<u>141,970</u>	<u>54,428</u>	<u>(54,428)</u>	<u>591,294</u>
Results					
Segment profit	75,772	7,137	53,381	(54,428)	81,862
Finance costs	(927)	(454)	-	-	(1,381)
Interest income	3,538	83	344	-	3,965
Depreciation	(14,993)	(2,716)	-	-	(17,709)
Profit before tax	<u>63,390</u>	<u>4,050</u>	<u>53,725</u>	<u>(54,428)</u>	<u>66,737</u>
Segment assets	<u>538,291</u>	<u>106,040</u>	<u>349,204</u>	<u>(328,450)</u>	<u>665,085</u>
Segment liabilities	<u>113,147</u>	<u>24,940</u>	<u>425</u>	<u>(16,652)</u>	<u>121,860</u>

(ii) Analysis by geographical segments

	Revenue 12 months ended		Non-current Assets* as at	
	30.06.19 RM'000	30.06.18 RM'000	30.06.19 RM'000	30.06.18 RM'000
Malaysia	259,920	208,268	97,769	88,506
Vietnam	5,976	5,692	61,303	56,350
Other Asian countries	93,400	98,914	-	-
European countries	211,175	245,904	-	-
America	71,996	15,547	-	-
Others	38,262	16,969	-	-
	<u>680,729</u>	<u>591,294</u>	<u>159,072</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 except the followings:

Approved and contracted for:	RM'000
- Property, plant and equipment	<u>9,618</u>

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>		Changes		<u>Cumulative Quarter</u>		Changes	
	<u>3 months ended</u>				<u>12 months ended</u>			
	<u>30.06.19</u>	<u>30.06.18</u>	<u>RM'000</u>	<u>%</u>	<u>30.06.19</u>	<u>30.06.18</u>	<u>RM'000</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>			<u>RM'000</u>	<u>RM'000</u>		
<u>Revenue - Business Segments</u>								
-- Fasteners Products	126,881	114,605	12,276	10.7%	515,495	449,324	66,171	14.7%
-- Wire Products	39,344	35,440	3,904	11.0%	165,234	141,970	23,264	16.4%
	<u>166,225</u>	<u>150,045</u>	<u>16,180</u>	<u>10.8%</u>	<u>680,729</u>	<u>591,294</u>	<u>89,435</u>	<u>15.1%</u>
<u>Profit/(Loss) before interest & tax</u>								
-- Fasteners Products	15,264	19,253	(3,989)	-20.7%	67,645	64,317	3,328	5.2%
-- Wire Products	(252)	2,103	(2,355)	-112.0%	3,812	4,504	(692)	-15.4%
-- Investment Holding	(312)	(216)	(96)	44.4%	389	(703)	1,092	-155.3%
	<u>14,700</u>	<u>21,140</u>	<u>(6,440)</u>	<u>-30.5%</u>	<u>71,846</u>	<u>68,118</u>	<u>3,728</u>	<u>5.5%</u>
<u>Profit/(Loss) before tax</u>								
-- Fasteners Products	14,853	18,899	(4,046)	-21.4%	65,890	63,390	2,500	3.9%
-- Wire Products	(611)	1,934	(2,545)	-131.6%	2,543	4,050	(1,507)	-37.2%
-- Investment Holding	(312)	(216)	(96)	44.4%	389	(703)	1,092	-155.3%
	<u>13,930</u>	<u>20,617</u>	<u>(6,687)</u>	<u>-32.4%</u>	<u>68,822</u>	<u>66,737</u>	<u>2,085</u>	<u>3.1%</u>
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>								
-- Fasteners Products	12,614	16,457	(3,843)	-23.4%	55,554	53,227	2,327	4.4%
-- Wire Products	(745)	1,775	(2,520)	-142.0%	1,652	3,383	(1,731)	-51.2%
-- Investment Holding	(213)	(233)	20	-8.6%	371	(725)	1,096	-151.2%
	<u>11,656</u>	<u>17,999</u>	<u>(6,343)</u>	<u>-35.2%</u>	<u>57,577</u>	<u>55,885</u>	<u>1,692</u>	<u>3.0%</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 RM680.73 million and RM68.82 million respectively. Both the Fasteners and Wire Products Division had contributed positively to the 15.1% increase in the Group revenue. The higher profit before tax generated by the Fasteners division was partially set off by the lower profit before tax recorded in the Wire division. This resulted in an increase of the profit before tax of the group by RM2.09 million for the current reporting period.

The equity attributable to the owners of the Company stands at RM577.37 million as at 30.06.2019 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 RM16.09 million to RM89.16 million as at the end of the current reporting period. Nevertheless, the Group is still in a net cash position of RM35.05 million.

As compared to the preceding year corresponding period, more cash had been utilised in the current reporting period for the upgrading of production facilities, new ERP system, construction of an automated warehouse and payment of dividend amounting to RM25.26 million to the shareholders during the current reporting period. The Group's bank balance increased to RM124.22 million as of the end of the current reporting period as compared to RM116.92 million as at 30.06.2018.

Individual Quarter:

Fasteners Products

The Fasteners Products Division recorded higher revenue of RM126.88 million in the current reporting quarter which represents an increase of 10.70% as compared to the preceding year corresponding quarter. The higher revenue was mainly contributed by trading sales which has a lower margin compared to manufacturing sales. Hence the higher revenue in the current quarter did not result in a corresponding higher profit for the division. The profit before tax of the division in the current quarter is RM14.85 million as compared to RM18.90 million in the preceding year corresponding quarter.

Wire Products

The Wire Products Division achieved an increase of 11.0% in its current quarter revenue as compared to RM35.44 million in the preceding year corresponding quarter. However, there was a loss before tax of RM0.61 million recorded in the current reporting quarter mainly to the start up cost incurred for the a new production line which only commenced production activities in April 2019.

Financial Year-To-Date Results:

The Group recorded a total revenue of RM680.73 million and a profit before tax of RM68.82 million in the current financial year to date.

Fasteners Products Division

The division recorded a total revenue of RM515.50 million in the current financial period to date which represents an increase of 14.7% as compared to the preceding financial year. The higher revenue was mainly contributed by the trading sale of steel bars which has a lower margin than the sale of manufactured products. Hence the profit before tax of the division only increased by 3.90% to RM65.89 million as compared to RM63.39 million in the immediate preceding financial year.

Wire Products Division

The Wire Products Division recorded revenue of RM165.23 million and profit before tax of RM2.54 million in the current financial period to date. The increase of revenue by 16.4% in the current reporting period did not result in a better profit before tax mainly due to the higher raw material cost and start up cost incurred for the new production line which only commenced production activities in April of the current financial year.

B2. Variation of Results Against Preceding Quarter

	3 months ended 30.06.19 RM'000	3 months ended 31.03.19 RM'000	Changes	
			RM'000	%
<u>Revenue - Business Segments</u>				
-- Fasteners Products	126,881	130,676	(3,795)	-2.90%
-- Wire Products	39,344	42,348	(3,004)	-7.09%
	166,225	173,024	(6,799)	-3.93%
<u>Profit/(Loss) before interest & tax</u>				
-- Fasteners Products	15,264	15,430	(166)	-1.08%
-- Wire Products	(252)	61	(313)	-513.11%
-- Investment Holding	(312)	143	(455)	-318.18%
	14,700	15,634	(934)	-5.97%
<u>Profit/(Loss) before tax</u>				
-- Fasteners Products	14,853	14,955	(102)	-0.68%
-- Wire Products	(611)	(258)	(353)	136.82%
-- Investment Holding	(312)	143	(455)	318.18%
	13,930	14,840	(910)	-6.13%
<u>Profit/(Loss) after tax attributable to ordinary equity holders of the parent</u>				
-- Fasteners Products	12,614	12,332	282	2.29%
-- Wire Products	(745)	(196)	(549)	-280.10%
-- Investment Holding	(213)	185	(398)	215.14%
	11,656	12,321	(665)	-5.40%

The Group recorded a total revenue of RM166.23 million and profit before tax of RM13.93 million for the current quarter under review.

Fasteners Products

The revenue for the Fastener Products Division was RM 126.88 million in the current quarter as compared to RM130.68 million in the immediate preceding quarter. In line with the lower revenue, the profit before tax of the division decreased by 6.13% to RM13.93 mil in the current quarter.

Wire Products

The Wire Products Division recorded a revenue of RM39.34 million in the current reporting quarter as compared to the RM42.35 million in the immediate preceding quarter. The Wire division registered a loss before tax of RM0.61 million in the current quarter mainly due to start up cost being incurred for new production line which only started production activities in April 2019.

B3. Prospects

The market outlook for the Group in the next 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 was 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 the market uncertainties in Europe and US but at the same times it has also offered opportunity for the Group to strengthen its position in the region in the event that imported goods from China to the US market reduce 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, which had commenced production in the current quarter is expected to enhance the division's result in the 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 next 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	3,335	11,727
Impairment loss charge on receivables	(145)	(97)
Interest expense	770	3,024
Interest income	(1,485)	(3,580)
Gain on disposal of property, plant and equipment	(4)	(25)
Property, plant and equipment written off	-	2
Unrealised loss/(gain) on foreign exchange	(751)	851
Realised gain on foreign exchange	(4,266)	(4,765)
Rental income	(316)	(419)

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>		<u>Cumulative Quarter</u>	
	3 months ended		12 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
	RM'000	RM'000	RM'000	RM'000
- Current tax	(2,056)	(3,053)	(11,245)	(11,287)
- Deferred tax liabilities	(218)	435	-	435
	<u>(2,274)</u>	<u>(2,618)</u>	<u>(11,245)</u>	<u>(10,852)</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 30.06.2019	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	55,930	55,930
Onshore foreign currency loans	33,234	-	33,234
Short term loans	-	-	-
	<u>33,234</u>	<u>55,930</u>	<u>89,164</u>
As as 30.06.2018			
Secured:			
Short term			
Bankers acceptance	-	22,665	22,665
Onshore foreign currency loans	47,271	-	47,271
Overdraft	-	735	735
Short term loans	-	2,401	2,401
	<u>47,271</u>	<u>25,801</u>	<u>73,072</u>

- a. The total borrowings as at the end of the reporting period increased to RM89.16 million as compared to RM73.07 million as of 30.6.2018. Additional borrowings had been drawn down during the current financial period to date to finance the purchases of raw materials and construction of an automated warehouse as well as upgrading of production facilities. Hence the total finance cost in the current financial period to date increased to RM3.12 mil as compared to RM1.38 mil in the preceding year.
- b. The average interest rates of borrowings during the current reporting period to date are as follows:

	30.06.19 %	30.06.18 %
Borrowings denominated in RM		
- Bankers acceptance	3.78	3.76
-Overdraft	-	7.60
Borrowings denominated in USD		
- Onshore foreign currency loans	2.63	2.35
- Short term loans	-	3.50

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	28.8.2019	27.8.2018
Entitlement date	25.10.2019	13.9.2018
Payment date	22.11.2019	1.10.2018
Dividend per share	3.35 sen	4.10 sen
Dividend % (Single Tier)	6.70% (single tier)	8.20% (single tier)
Net dividend payable	RM9,837,204	RM12,059,210

b. The total dividend declared for the current financial year ended 30 June 2019 is 7.85 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		12 months ended	
	30.06.19	30.06.18	30.06.19	30.06.18
Profit after tax				
Attributable to owners of the Company (RM'000)	11,656	17,999	57,577	55,885
Weighted average number of ordinary shares ('000)	293,742	296,718	293,742	296,718
Basic Earnings Per Share (sen)	3.97	6.07	19.60	18.83

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	3.97	6.07	19.60	18.83
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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.