

CHIN WELL HOLDINGS BERHAD
(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 - UNAUDITED

	Unaudited	Audited
	As at	As at
	31.03.20	30.06.19
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	163,947	154,282
Investment properties	4,906	4,790
Other investment	-	-
	<u>168,853</u>	<u>159,072</u>
Current assets		
Inventories	264,329	266,299
Trade and other receivables	163,704	149,078
Current tax assets	12,330	5,537
Cash and bank balances	116,908	124,217
	<u>557,271</u>	<u>545,131</u>
TOTAL ASSETS	726,124	704,203
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	406,036	399,439
Total equity	<u>583,965</u>	<u>577,368</u>
Non-current liabilities		
Deferred tax liabilities	8,345	8,396
Current liabilities		
Trade and other payables	29,022	29,275
Borrowings	99,443	89,164
Dividend payables	4,358	-
Current tax liabilities	991	-
	<u>133,814</u>	<u>118,439</u>
Total liabilities	<u>142,159</u>	<u>126,835</u>
TOTAL EQUITY AND LIABILITIES	726,124	704,203
Net assets per share (RM)	1.99	1.97

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 2019. 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 2020 - UNAUDITED

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
	RM'000	RM'000	RM'000	RM'000
Revenue	150,401	173,024	453,569	514,504
Cost of sales	<u>(135,850)</u>	<u>(149,237)</u>	<u>(412,683)</u>	<u>(435,798)</u>
Gross profit	14,551	23,787	40,886	78,706
Other income	2,901	759	5,096	5,016
Administrative expenses	(4,807)	(5,897)	(13,944)	(17,581)
Selling and distribution expenses	<u>(2,380)</u>	<u>(3,015)</u>	<u>(6,483)</u>	<u>(8,995)</u>
Operating profit	10,265	15,634	25,555	57,146
Finance costs	<u>(631)</u>	<u>(794)</u>	<u>(1,970)</u>	<u>(2,254)</u>
Profit before tax	9,634	14,840	23,585	54,892
Tax expense	<u>(1,612)</u>	<u>(2,519)</u>	<u>(4,574)</u>	<u>(8,971)</u>
Profit for the financial period/year	8,022	12,321	19,011	45,921
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>6,963</u>	<u>(2,538)</u>	<u>5,692</u>	<u>314</u>
Total comprehensive income attributable to the owners of the company for the financial period/year	<u><u>14,985</u></u>	<u><u>9,783</u></u>	<u><u>24,703</u></u>	<u><u>46,235</u></u>
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	<u><u>2.74</u></u>	<u><u>4.19</u></u>	<u><u>6.49</u></u>	<u><u>15.63</u></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 2019. 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 2020 - UNAUDITED

	----- Non-distributable -----			Distributable		
	Share Capital	Share Premium	Treasury Shares	Foreign Translation Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2019	177,929	-	(10,164)	28,991	380,612	577,368
Foreign exchange differences on translation	-	-	-	5,692	-	5,692
Profit for the financial year	-	-	-	-	19,011	19,011
Total comprehensive income for the financial year	-	-	-	5,692	19,011	24,703
Transactions with owners:						
Purchase of treasury shares	-	-	(3,913)	-	-	(3,913)
Dividends	-	-	-	-	(14,193)	(14,193)
Total transactions with owners	-	-	(3,913)	-	(14,193)	(18,106)
At 31 Mar 2020	<u>177,929</u>	<u>-</u>	<u>(14,077)</u>	<u>34,683</u>	<u>385,430</u>	<u>583,965</u>
At 1 July 2018	177,929	-	(9,424)	26,425	348,295	543,225
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
Transaction with owners:						
Purchase of treasury shares	-	-	(738)	-	-	(738)
Dividends	-	-	-	-	(25,260)	(25,260)
Total transactions with owners	-	-	(738)	-	(25,260)	(25,998)
At 31 Mar 2019	<u>177,929</u>	<u>-</u>	<u>(10,162)</u>	<u>26,739</u>	<u>368,956</u>	<u>563,462</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 2019. 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 2020 - UNAUDITED

	31.03.20	31.03.19
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	23,585	54,892
Adjustments for:		
Depreciation	9,530	8,392
Gain on disposal of property, plant and equipment	(51)	(21)
Impairment loss charge on receivables	875	48
Interest expense	1,970	2,254
Interest income	(2,382)	(2,095)
Property, plant and equipment written off	2	-
Unrealised (gain)/loss on foreign exchange	(1,830)	1,602
	31,699	65,072
Operating profit before working capital changes	31,699	65,072
Decrease/(Increase) in inventories	4,550	(1,198)
Increase in receivables	(13,033)	(22,267)
Decrease in payables	(632)	(6,412)
	22,584	35,195
Cash from operation	22,584	35,195
Interest paid	(1,970)	(2,255)
Income tax paid	(10,444)	(11,312)
	10,170	21,628
Net cash from operating activities	10,170	21,628
Cash flows from investing activities		
Interest received	2,382	2,095
Proceeds from disposal of property, plant and equipment	51	2
Purchase of property, plant and equipment	(17,742)	(23,904)
Net cash used in investing activities	(15,309)	(21,807)
Cash flows from financing activities		
Dividend paid	(9,835)	(12,046)
Net change in borrowings	10,011	29,396
Purchase of treasury shares	(3,913)	(738)
Net cash (used in)/from financing activities	(3,737)	16,612
Net (decrease)/increase in cash and bank balances	(8,876)	16,433
Effect of changes in exchange rate on cash and bank balances	1,567	22
Cash and bank balances at beginning	124,217	117,656
Cash and bank balances at end	116,908	134,111

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 2019. 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 2019 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 2019.

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 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

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 period beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Business Combinations: Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108

Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

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 2019 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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	3,048,500	3,912,804
Repurchase of own shares as of 31.03.2020	8,933,800	14,076,492

A8. Dividend Paid

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

	Financial period ended 31.03.20 RM
Second interim single tier dividend paid on 22 November 2019 for the financial year ended 30 June 2019	
- 3.35 sen per ordinary share	9,835,160
	<u>9,835,160</u>
	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>

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 2020					
Revenue					
External revenue	370,435	83,134	-	-	453,569
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>370,435</u>	<u>83,134</u>	<u>-</u>	<u>-</u>	<u>453,569</u>
Results					
Segment profit	28,036	4,526	141	-	32,703
Finance costs	(1,468)	(502)	-	-	(1,970)
Interest income	1,524	292	566	-	2,382
Depreciation	(6,663)	(2,867)	-	-	(9,530)
Profit before tax	<u>21,429</u>	<u>1,449</u>	<u>707</u>	<u>-</u>	<u>23,585</u>
Segment assets	<u>588,677</u>	<u>112,684</u>	<u>345,011</u>	<u>(320,248)</u>	<u>726,124</u>
Segment liabilities	<u>115,697</u>	<u>28,522</u>	<u>4,399</u>	<u>(6,459)</u>	<u>142,159</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination 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>

(ii) Analysis by geographical segments

	Revenue 9 months		Non-current Assets*	
	ended 31.03.20 RM'000	ended 31.03.19 RM'000	as at 31.03.20 RM'000	as at 31.03.19 RM'000
Malaysia	230,905	184,314	101,464	97,260
Vietnam	2,194	4,892	67,389	62,000
Other Asian countries	50,050	75,431	-	-
European countries	79,335	177,729	-	-
North America	84,758	37,756	-	-
Others	6,327	34,382	-	-
	<u>453,569</u>	<u>514,504</u>	<u>168,853</u>	<u>159,260</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 2019.

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>1,644</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

	Individual Quarter 3 months ended		Changes		Cumulative Quarter 9 months ended		Changes	
	31.03.20 RM'000	31.03.19 RM'000	RM'000	%	31.03.20 RM'000	31.03.19 RM'000	RM'000	%
Revenue - Business Segments								
-- Fasteners Products	123,514	130,676	(7,162)	-5.5%	370,435	388,614	(18,179)	-4.7%
-- Wire Products	26,887	42,348	(15,461)	-36.5%	83,134	125,890	(42,756)	-34.0%
	<u>150,401</u>	<u>173,024</u>	<u>(22,623)</u>	<u>-13.1%</u>	<u>453,569</u>	<u>514,504</u>	<u>(60,935)</u>	<u>-11.8%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	8,775	15,430	(6,655)	-43.1%	22,897	52,381	(29,484)	-56.3%
-- Wire Products	1,177	61	1,116	1829.5%	1,951	4,064	(2,113)	-52.0%
-- Investment Holding	313	143	170	118.9%	707	701	6	0.9%
	<u>10,265</u>	<u>15,634</u>	<u>(5,369)</u>	<u>-34.3%</u>	<u>25,555</u>	<u>57,146</u>	<u>(31,591)</u>	<u>-55.3%</u>
Profit/(Loss) before tax								
-- Fasteners Products	8,307	14,955	(6,648)	-44.5%	21,429	51,037	(29,608)	-58.0%
-- Wire Products	1,014	(258)	1,272	-493.0%	1,449	3,154	(1,705)	-54.1%
-- Investment Holding	313	143	170	118.9%	707	701	6	0.9%
	<u>9,634</u>	<u>14,840</u>	<u>(5,206)</u>	<u>-35.1%</u>	<u>23,585</u>	<u>54,892</u>	<u>(31,307)</u>	<u>-57.0%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent								
-- Fasteners Products	6,935	12,332	(5,397)	-43.8%	17,228	42,940	(25,712)	-59.9%
-- Wire Products	821	(196)	1,017	-518.9%	1,126	2,397	(1,271)	-53.0%
-- Investment Holding	266	185	81	43.8%	657	584	73	12.5%
	<u>8,022</u>	<u>12,321</u>	<u>(4,299)</u>	<u>-34.9%</u>	<u>19,011</u>	<u>45,921</u>	<u>(26,910)</u>	<u>-58.6%</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 RM453.57 million and RM23.59 million respectively. Total revenue of the Group reduced by 11.8% in the current period to date. The continuing trade tension between United States of America and People Republic of China, uncertainties posted by COVID-19 pandemic and impending global market recession resulted in both lower turnover achieved for the current financial period and orders secured being deferred to the future. The Group had to reduce the selling price of its products as a result of stiff competition in the market. As a result, the Group profit before tax dropped by 57% in the current reporting period to date.

The equity attributable to the owners of the Company stands at RM583.97 million as at 31.03.2020 as compared to RM577.37 million as at 30.6.2019 after the declaration of dividends amounting to RM14.19 million set off with the earnings generated in the current financial period. The Company has bought back its own share from the market with a total value of RM3.91 million in the current reporting period to date.

As for the cash flow, less cash was generated from the operating activities in line with the lower sales in the current cumulative quarter. Besides working capital, cash was expended for the purchase of fixed assets for RM 17.74million. RM3.91 million was utilised to buy back the company's shares from the open market. A lower dividend was declared and paid in line with the lower net profit recorded in the current financial period. Despite lower operating cash being generated in the current reporting period, the Group borrowings from the banks were lower as compared to the corresponding period in the last financial year. The total cash and bank balance of the Group as of the closing date stood at RM116.91mil lower by RM17.2mil as compared to the corresponding period in the last financial year.

Individual Quarter

Fasteners Products

The Fasteners Products Division recorded a lower revenue of RM123.51 million in the current reporting quarter which represents a decrease of 5.5% as compared to the preceding year corresponding period while the profit before tax of the division dropped by RM6.65 million to RM8.31 million. The operation plant in Malaysia was shut down during the movement control order (MCO) as implemented by the government following the outbreak of COVID-19 in mid March 2020 and commenced production in mid April 2020. The impact of COVID-19 pandemic, the unresolved global trade tension, the economic down turn in Europe and stiff competition in Asia had adversely affected the performance of the Fastener Division in the current reporting quarter.

Wire Products

The Wire Products Division recorded a decrease of 36.5% in its current quarter revenue to RM26.89 million as compared to RM42.35million in the preceding year corresponding quarter. Similar to Fasteners Product Division, the factory in Wire Product Division was also shut down during the MCO, however the Division factory only commenced production in early May This resulted in disrupted production and delivery to customers being postponed. The drop in profit margin is partially cushioned by the higher forex gain recorded in the current cumulative quarter which resulted in the profit before tax of RM1.01mil in the current reporting quarter as compared to a loss before tax of RM0.26 million in the corresponding period of last financial year.

Cumulative Quarter

The Group recorded a total revenue of RM453.57 million and a profit before tax of RM23.59 million in the current financial year to date.

Fasteners Products Division

The division recorded a total revenue of RM370.44 million in the current financial period to date which represents a decrease of 4.7% as compared to the preceding financial year. The increase in trading sales by RM49.47 million partially cushioned the decrease in sales of fasteners. However, the margin derived from trading is lower than the manufacturing of fasteners. This coupled with the stiff price competition for Fasteners resulted in the profit before tax of the division decreasing by RM29.61 million to RM21.43 million in the current reporting period to date.

Wire Products Division

The Wire Products Division recorded a revenue of RM83.13 million and profit before tax of RM1.45 million in the current financial period to date which represented a drop of 34.0% and 54.1% respectively as compared to the corresponding reporting period.

B2. Variation of Results Against Preceding Quarter

	3 months	3 months	Changes	
	ended 31.03.20 RM'000	ended 31.12.19 RM'000	RM'000	%
Revenue - Business Segments				
-- Fasteners Products	123,514	119,373	4,141	3.47%
-- Wire Products	26,887	28,330	(1,443)	-5.09%
	<u>150,401</u>	<u>147,703</u>	2,698	1.83%
Profit/(Loss) before interest & tax				
-- Fasteners Products	8,775	5,547	3,228	58.19%
-- Wire Products	1,177	277	900	324.91%
-- Investment Holding	313	209	104	49.76%
	<u>10,265</u>	<u>6,033</u>	4,232	70.15%
Profit/(Loss) before tax				
-- Fasteners Products	8,307	5,045	3,262	64.66%
-- Wire Products	1,014	153	861	562.75%
-- Investment Holding	313	209	104	-49.76%
	<u>9,634</u>	<u>5,407</u>	4,227	78.18%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	6,935	3,953	2,982	75.44%
-- Wire Products	821	114	707	-620.18%
-- Investment Holding	266	209	57	-27.27%
	<u>8,022</u>	<u>4,276</u>	3,746	87.61%

The Group recorded a total revenue of RM150.40 million and profit before tax of RM9.63 million for the current quarter under review.

Fasteners Products

The revenue of the Fastener Products Division is RM 123.51 million in the current quarter as compared to RM119.37 million in the immediate preceding quarter. The higher sales is mainly contributed by the higher export to the US market in the current quarter which has better profit margin. The profit before tax of the division of RM 8.31 million improved by 64.66% in the current reporting quarter. In addition to the higher revenue, higher forex gain recorded in the current quarter also led to the better performance of the division in the current quarter as compared to the immediate preceding quarter.

Wire Products

The Wire Products Division recorded a revenue of RM26.89 million in the current reporting quarter as compared to the RM28.33 million in the immediate preceding quarter. The Wire division registered a profit before tax of RM1.01 million in the current quarter as compared to RM0.15 million in the immediate preceding quarter.

B3. Prospects

The market outlook for the Group in the remaining quarter of the current financial year is expected to remain challenging in view of uncertainties in the global economy due to the Covid-19 pandemic and trade tension between USA and China. This uncertainty has resulted in a downturn in our market in Europe. Our productions in Malaysia was shut down during the Movement Control Order (MCO) period and deliveries to customers had been postponed. Although the affected productions had resumed its operation in mid of April (Fastener Division) and early of May (Wire Division) respectively after obtaining the approval from MITI, however some of the deliveries to customers in overseas as well as local market were expected to be deferred. However we were fortunate that deliveries to the US market were not significantly interrupted. The orders from the US market is expected to continue in the remaining quarter of the financial year.

The operation in our subsidiary in Vietnam was not significantly affected by the COVID-19 pandemic. The production of the reinforcement bar in Vietnam is also expected to contribute to higher Group's revenue. The existing DIY segment will continue to bring positive contribution 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 previous 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 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	3,439	9,530
Impairment loss charge on receivables	278	875
Interest expense	631	1,970
Interest income	(969)	(2,382)
Gain on disposal of property, plant and equipment	-	(51)
Property, plant and equipment written off	(183)	2
Unrealised loss/(gain) on foreign exchange	(2,048)	(1,830)
Realised loss/(gain) on foreign exchange	(554)	(1,288)
Rental income	(111)	(327)

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
- Current tax	(1,561)	(2,519)	(4,523)	(8,971)
- Deferred tax liabilities	(51)	-	(51)	-
	<u>(1,612)</u>	<u>(2,519)</u>	<u>(4,574)</u>	<u>(8,971)</u>

The Group's effective tax rate for the current period under review is lower than the Malaysian statutory income tax rate of 24%. This is mainly due to the lower tax rate enjoyed by the subsidiary in Vietnam. However, the Group's effective tax rate in the current quarter is higher than the corresponding quarter in the immediate preceding year mainly due to the expiry of tax reduction period for the subsidiary in Vietnam. With effect from the current reporting quarter, the statutory income tax rate applied by our Vietnam subsidiary is 20% as compared to 10% in the corresponding financial year.

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 31.03.2020	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	57,468	57,468
Onshore foreign currency loans	27,945	-	27,945
Short term loans	14,030	-	14,030
	<u>41,975</u>	<u>57,468</u>	<u>99,443</u>
As as 31.03.2019			
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>

- a. The total borrowings as at the end of the reporting period reduced to RM99.44 million as compared to RM101.88 million as of 31.03.2019. Total finance cost in the current financial period decreased to RM1.97 mil as compared to RM2.25 mil in the preceding year.
- b. The average interest rates of borrowings during the current reporting period to date are as follows:

	31.03.20 %	31.03.19 %
Borrowings denominated in RM		
- Bankers acceptance	3.25	3.84
-Overdraft	-	-
Borrowings denominated in USD		
- Onshore foreign currency loans	1.33	2.75
- Short term loans	2.61	-

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.

B10 Proposed Dividend

a. Dividend declared during the current reporting quarter and the corresponding quarter:

	Current Quarter	Corresponding Quarter
Interim dividend for the financial year	30.6.2020	30.6.2019
Declared and approved on	27.2.2020	26.2.2019
Entitlement date	24.4.2020	26.4.2019
Payment date	22.5.2020	21.5.2019
Dividend per share	1.50 sen	4.50 sen
Dividend % (Single Tier)	3.0% (single tier)	9.0% (single tier)
Net dividend payable	RM4,387,857	RM13,214,199

b. The total dividend declared for the current financial year ended 30 June 2020 is 1.50 sen per share.

B11 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 3 months ended		Cumulative Quarter 9 months ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Profit after tax Attributable to owners of the Company (RM'000)	8,022	12,321	19,011	45,921
Weighted average number of ordinary shares ('000)	292,966	293,774	292,966	293,774
Basic Earnings Per Share (sen)	2.74	4.19	6.49	15.63

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	2.74	4.19	6.49	15.63
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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.