

**CHIN WELL HOLDINGS BERHAD**  
**(371551-T)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022 - UNAUDITED**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.22</b>	<b>30.06.21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	140,843	157,222
Investment properties	67,333	5,341
Right of use assets	459	721
Other receivable	-	23,331
Deferred tax assets	143	136
	<u>208,778</u>	<u>186,751</u>
<b>Current assets</b>		
Inventories	338,848	325,432
Trade and other receivables	119,109	110,331
Current tax assets	3,274	6,563
Cash and bank balances	127,451	85,815
	<u>588,682</u>	<u>528,141</u>
<b>TOTAL ASSETS</b>	<b><u>797,460</u></b>	<b><u>714,892</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	177,929	177,929
Reserves	487,247	402,502
	<u>665,176</u>	<u>580,431</u>
Non-controlling interest	2,052	-
Total equity	<u>667,228</u>	<u>580,431</u>
<b>Non-current liabilities</b>		
Lease liabilities	219	494
Amount due to minority shareholders	31,925	-
Deferred tax liabilities	8,469	8,379
	<u>40,613</u>	<u>8,873</u>
<b>Current liabilities</b>		
Trade and other payables	39,189	33,988
Contract Liabilities	2,435	978
Borrowings	37,825	89,357
Lease liabilities	275	256
Provision for Tax	9,895	1,009
	<u>89,619</u>	<u>125,588</u>
<b>Total liabilities</b>	<u>130,232</u>	<u>134,461</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>797,460</u></b>	<b><u>714,892</u></b>
Net assets per share (RM)	2.32	2.01

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 2021. 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 2022 - UNAUDITED**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.22 RM'000	30.06.21 RM'000	30.06.22 RM'000	30.06.21 RM'000
Revenue	196,870	130,345	657,838	491,655
Cost of sales	<u>(150,340)</u>	<u>(109,126)</u>	<u>(502,529)</u>	<u>(419,133)</u>
Gross profit	46,530	21,219	155,309	72,522
Other income	1,652	2,446	8,259	6,276
Administrative expenses	(9,269)	(9,131)	(24,606)	(27,538)
Selling and distribution expenses	<u>(3,585)</u>	<u>(3,266)</u>	<u>(15,882)</u>	<u>(15,123)</u>
Operating profit	35,328	11,268	123,080	36,137
Finance costs	<u>(229)</u>	<u>(2,823)</u>	<u>(874)</u>	<u>(3,391)</u>
<b>Profit before tax</b>	35,099	8,445	122,206	32,746
Tax expense	<u>(7,523)</u>	<u>(3,338)</u>	<u>(26,249)</u>	<u>(9,354)</u>
<b>Profit for the financial period/year</b>	27,576	5,107	95,957	23,392
<b>Other comprehensive income/(loss), net of tax</b>				
<b>Item that will be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations	<u>5,681</u>	<u>5,523</u>	<u>9,396</u>	<u>(3,852)</u>
<b>Total comprehensive income for the financial period/year</b>	33,257	10,630	105,353	19,540
<b>Profit attributable to:</b>				
Owners of the parent	27,607	5,107	95,989	23,392
Non-controlling interest	<u>(31)</u>	<u>-</u>	<u>(32)</u>	<u>-</u>
	<u>27,576</u>	<u>5,107</u>	<u>95,957</u>	<u>23,392</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	33,288	10,630	105,385	19,540
Non-controlling interest	<u>(31)</u>	<u>-</u>	<u>(32)</u>	<u>-</u>
	<u>33,257</u>	<u>10,630</u>	<u>105,353</u>	<u>19,540</u>
<b>Earnings per share attributable to owners of the Company (sen)</b>				
- Basic/Diluted	<u>9.64</u>	<u>1.77</u>	<u>33.51</u>	<u>8.11</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 2021. 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 2022 - UNAUDITED**

	----- Non-distributable -----			Distributable		Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000 Note (1)	Treasury Shares RM'000	Foreign Translation Reserve RM'000	Retained Profits RM'000			
<b>At 1 July 2021</b>	177,929	-	(18,865)	1,946	419,421	580,431	-	580,431
Foreign exchange differences on translation	-	-	-	9,396	-	9,396	-	9,396
Acquisition of subsidiaries	-	-	-	-	-	-	2,084	2,084
Profit for the financial year	-	-	-	-	95,989	95,989	(32)	95,957
Total comprehensive income for the financial year	-	-	-	9,396	95,989	105,385	2,052	107,437
Transactions with owners:								
Purchase of treasury shares	-	-	(15)	-	-	(15)	-	(15)
Dividends	-	-	-	-	(20,625)	(20,625)	-	(20,625)
Total transactions with owners	-	-	(15)	-	(20,625)	(20,640)	-	(20,640)
<b>At 30 June 2022</b>	<b>177,929</b>	<b>-</b>	<b>(18,880)</b>	<b>11,342</b>	<b>494,785</b>	<b>665,176</b>	<b>2,052</b>	<b>667,228</b>
<b>At 1 July 2020</b>	<b>177,929</b>	<b>-</b>	<b>(15,301)</b>	<b>5,798</b>	<b>400,336</b>	<b>568,762</b>	<b>-</b>	<b>568,762</b>
Foreign exchange differences on translation	-	-	-	(3,852)	-	(3,852)	-	(3,852)
Profit for the financial year	-	-	-	-	23,393	23,393	-	23,393
Total comprehensive income for the financial year	-	-	-	(3,852)	23,393	19,540	-	19,540
Transaction with owners:								
Purchase of treasury shares	-	-	(3,564)	-	-	(3,564)	-	(3,564)
Dividends	-	-	-	-	(4,307)	(4,307)	-	(4,307)
Total transactions with owners	-	-	(3,564)	-	(4,307)	(7,871)	-	(7,871)
<b>At 30 June 2021</b>	<b>177,929</b>	<b>-</b>	<b>(18,865)</b>	<b>1,946</b>	<b>419,422</b>	<b>580,431</b>	<b>-</b>	<b>580,431</b>

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 2021. 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 2022 - UNAUDITED

	<b>30.06.22</b>	<b>30.06.21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	122,206	32,747
Adjustments for:		
Depreciation	13,151	13,487
Gain on disposal of property, plant and equipment	70	(853)
Impairment loss (reverse)/charge on receivables	(968)	5,534
Interest expense	874	712
Interest income	(1,733)	(1,812)
Inventory written down	(655)	(714)
Reversal of Unwinding interest	(2,618)	2,618
Accretion of interest on lease liability	43	60
Depreciation of right of use assets	262	262
Capital work in progress expense off	11,198	1
Unrealised loss on foreign exchange	782	1,012
	142,612	53,054
Operating profit before working capital changes	142,612	53,054
Increase in inventories	(6,356)	(64,378)
Decrease/(Increase) in receivables	19,696	(17,247)
(Decrease)/Increase in payables	(23,886)	7,974
Increase in contract liabilities	1,457	(582)
	133,523	(20,596)
Cash from/(used in) operation	133,523	(20,596)
Interest paid	(874)	(712)
Income tax paid	(14,618)	(4,725)
	118,031	(26,034)
<b>Net cash from/(used in) operating activities</b>	<b>118,031</b>	<b>(26,034)</b>
<b>Cash flows from investing activities</b>		
Interest received	1,733	1,812
Acquisition of equity interest in subsidiaries	(1,785)	-
Long-term advance from shareholders of subsidiary	69	-
Proceeds from disposal of property, plant and equipment	62	1,150
Purchase of property, plant and equipment	(5,010)	(10,942)
<b>Net cash used in investing activities</b>	<b>(4,931)</b>	<b>(7,980)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(20,625)	(4,307)
Net change in borrowings	(52,656)	18,793
Payment of principal portion of lease liabilities	(257)	(300)
Purchase of treasury shares	(15)	(3,564)
<b>Net cash (used in)/from financing activities</b>	<b>(73,553)</b>	<b>10,622</b>
<b>Net increase/(decrease) in cash and bank balances</b>	<b>39,547</b>	<b>(23,392)</b>
Effect of changes in exchange rate on cash and bank balances	2,089	(1,115)
<b>Cash and bank balances at beginning</b>	<b>85,815</b>	<b>110,322</b>
<b>Cash and bank balances at end</b>	<b>127,451</b>	<b>85,815</b>

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 2021. The accompanying notes are an integral part of these interim financial statements.

**CHIN WELL HOLDINGS BERHAD**  
**(371551-T)**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**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 2021 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 2021.

**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 June 2020**

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions

**Effective for annual period beginning on or after 1 January 2021**

Amendment to MFRS 9 Financial Instruments, MFRS139 Financial Instruments: Recognition and Measurement, MFRS7 Financial Instruments: Disclosure, MFRS4 Insurance Contracts and MFRS 16 Lease: Interest Rate Benchmark Reform - Phase 2

**Effective for annual period beginning on or after 1 April 2021**

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021.

The initial application of the above standards does not have any significant financial impacts to the Group's financial statements upon adoption.

**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 2022**

Amendments to MFRS3 Business Combination: Reference to the Conceptual Framework  
Amendments to MFRS116 Property, Plant and Equipment: Property, Plant and Equipment-Proceeds before Intended Use  
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract  
Annual Improvement to MFRS Standards 2018-2020

**Effective for annual period beginning on or after 1 January 2023**

MFRS17 Insurance Contracts  
Amendments to MFRS 4 Insurance Contracts - extension of the Temporary Exemption from Applying MFRS 9  
Amendments to MFRS17 Insurance Contracts  
Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information  
Amendments to MFRS101 Presentation of Financial Statement: Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies  
Amendments to MFRS108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates  
Amendments to MFRS112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**Effective date yet to be confirmed**

Amendments to MFRS10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

**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 2021 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	<u>10,000</u>	<u>15,320</u>
Repurchase of own shares as of 30.06.2022	<u>13,079,800</u>	<u>18,880,446</u>

**A8. Dividend Paid**

The was no dividend paid in the previous corresponding period and the dividend paid during the current reporting period is per below:

	<b>Financial period ended 30.06.22 RM</b>
Second interim single tier dividend paid on 26 November 2021 for the financial year ended 30 June 2021 - 1.80 sen per ordinary share	5,156,341
First interim single tier dividend paid on 20 May 2022 for the financial year ended 30 June 2022 - 5.40 sen per ordinary share	15,468,662
	<u>20,625,003</u>
	<b>Financial period ended 30.06.21 RM</b>
First interim single tier dividend paid on 21 May 2021 for the financial year ended 30 June 2021 - 1.50 sen per ordinary share	4,307,407
	<u>4,307,407</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**

	<b>Fastener Products RM'000</b>	<b>Wire Products RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination/ Adjustment RM'000</b>	<b>Group RM'000</b>
<b>12 months ended 30 June 2022</b>					
Revenue					
External revenue	493,265	164,573	-	-	657,838
Inter-segment revenue	-	-	15,836	(15,836)	-
Total revenue	<u>493,265</u>	<u>164,573</u>	<u>15,836</u>	<u>(15,836)</u>	<u>657,838</u>
Results					
Segment profit	112,797	22,328	15,209	(15,836)	134,499
Finance costs	(895)	(217)	-	238	(874)
Interest income	1,495	77	400	(238)	1,733
Depreciation	(9,471)	(3,680)	-	-	(13,151)
Profit before tax	<u>103,926</u>	<u>18,507</u>	<u>15,609</u>	<u>(15,836)</u>	<u>122,206</u>
Segment assets	<u>598,443</u>	<u>122,206</u>	<u>76,811</u>	<u>-</u>	<u>797,460</u>
Segment liabilities	<u>80,830</u>	<u>16,637</u>	<u>32,765</u>	<u>-</u>	<u>130,232</u>
	<b>Fastener Products RM'000</b>	<b>Wire Products RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>12 months ended 30 June 2021</b>					
Revenue					
External revenue	352,293	139,362	-	-	491,655
Inter-segment revenue	-	-	22,633	(22,633)	-
Total revenue	<u>352,293</u>	<u>139,362</u>	<u>22,633</u>	<u>(22,633)</u>	<u>491,655</u>
Results					
Segment profit	31,116	18,014	21,890	(23,208)	47,812
Finance costs	(3,267)	(361)	-	237	(3,391)
Interest income	1,525	71	453	(237)	1,812
Depreciation	(9,651)	(3,836)	-	-	(13,487)
Profit before tax	<u>19,723</u>	<u>13,888</u>	<u>22,343</u>	<u>(23,208)</u>	<u>32,746</u>
Segment assets	<u>577,587</u>	<u>142,216</u>	<u>345,997</u>	<u>(350,908)</u>	<u>714,892</u>
Segment liabilities	<u>172,980</u>	<u>48,472</u>	<u>533</u>	<u>(87,524)</u>	<u>134,461</u>

(ii) Analysis by geographical segments

	Revenue		Non-current Assets*	
	ended 30.06.22 RM'000	ended 30.06.21 RM'000	as at 30.06.22 RM'000	as at 30.06.21 RM'000
Malaysia	185,704	156,570	153,441	119,567
Vietnam	2,909	2,940	55,337	67,184
Other Asian countries	25,001	44,730	-	-
European countries	282,239	137,680	-	-
North America	136,338	140,856	-	-
Others	25,647	8,878	-	-
	<u>657,838</u>	<u>491,655</u>	<u>208,778</u>	<u>186,751</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 2021.

**A11. Event Subsequent to the End of the Reporting Period**

There were no other material events subsequent to the end of current reporting quarter ended 30 June 2022 that have not been reflected in this interim financial reports.

**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**

The Company had, on 25 October 2021, announced that Chin Well Service Centre Sdn Bhd ("CWSC"), a wholly-owned subsidiary of the Company had, on the even date, entered into a conditional settlement agreement ("Settlement Agreement") with NBH Service Centre Sdn Bhd ("NBHSC"), Ng Beng Hoo ("NBH") and Toh Su See ("TSS") in relation to the settlement of RM47,683,244.80 due from NBHSC to CWSC ("Proposed Settlement").

The Proposed Settlement involves the settlement of RM47,683,244.80 due from NBHSC to CWSC ("Amount Owing") in the following manner:

(i) Transfer amount amounting to RM27,681,274.59 will be settled by way of the following:

- (a) 45% of the adjusted net assets ("NA") of NBH Realty Sdn Bhd as at 31 December 2020 amounting to RM1,686,979.17;
- (b) 45% of the adjusted NA of Jadi Raya Development Sdn Bhd as at 31 December 2020 amounting to RM98,514.90; and
- (c) the TSS advances amounting to RM25,895,780.52 as at the date of the Settlement Agreement;

(ii) Balance amount amounting to RM20,001,970.21 represents the Amount Owing after deducting the transfer amount and will be settled over a period of five (5) years.

The Proposed Settlement is deemed to be a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad as certain directors and/or major shareholders of the Company are deemed interest in the Proposed Settlement.

The Proposed Settlement had been approved by the shareholders in the EGM held on 28 January 2022 and it has been completed on 7 February 2022.

Upon the completion of the Settlement Agreement NBH Realty Sdn Bhd (NBHR) and Jadi Raya Development Sdn Bhd (Jadi Raya) had become the 45% owned subsidiaries of the Company pursuant to Section 4(1) of the Companies Act 2016 as the Company controls the composition of the Board of Directors of NBHR and Jadi Raya.

The principal activity of NBHR and Jadi Raya is property investment.

The net profit from NBHR and Jadi Raya since the acquisition date is not significant to the Group's net profit for the current financial period to date.

The fair value of the net assets arising from the acquisition are as below:

	RM
Investment properties	62,080,570
Cash and banks	10,318
Deferred tax liabilities	(436,422)
Amount due to shareholders	(31,856,709)
Payables	<u>(25,929,017)</u>
Total identified net assets	3,868,740
Less: Non-controlling Interest	<u>(2,083,146)</u>
Cost of investment	<u>1,785,594</u>

Save as disclosed above, there is no other change in the composition of the Group during the current reporting period.

**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:	<b>RM'000</b>
- Property, plant and equipment	<u>893</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 12 months ended		Changes	
	30.06.22 RM'000	30.06.21 RM'000	RM'000	%	30.06.22 RM'000	30.06.21 RM'000	RM'000	%
Revenue - Business Segments								
-- Fasteners Products	162,116	98,472	63,644	64.6%	493,265	352,293	140,972	40.0%
-- Wire Products	34,754	31,873	2,881	9.0%	164,573	139,362	25,211	18.1%
	<u>196,870</u>	<u>130,345</u>	<u>66,525</u>	<u>51.0%</u>	<u>657,838</u>	<u>491,655</u>	<u>166,183</u>	<u>33.8%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	33,536	7,957	25,579	321.5%	104,744	23,324	81,420	349.1%
-- Wire Products	1,847	4,140	(2,293)	-55.4%	18,724	13,915	4,809	34.6%
-- Investment Holding	(55)	(829)	774	-93.4%	(388)	(1,102)	714	64.8%
	<u>35,328</u>	<u>11,268</u>	<u>24,060</u>	<u>213.5%</u>	<u>123,080</u>	<u>36,137</u>	<u>86,943</u>	<u>240.6%</u>
Profit/(Loss) before tax								
-- Fasteners Products	33,200	4,668	28,532	611.2%	103,926	19,723	84,203	426.9%
-- Wire Products	1,793	4,369	(2,576)	-59.0%	18,507	13,888	4,619	33.3%
-- Investment Holding	106	(592)	698	-117.9%	(227)	(865)	638	73.8%
	<u>35,099</u>	<u>8,445</u>	<u>26,654</u>	<u>315.6%</u>	<u>122,206</u>	<u>32,746</u>	<u>89,460</u>	<u>273.2%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent								
-- Fasteners Products	26,389	2,177	24,212	1112.1%	82,401	13,525	68,876	509.2%
-- Wire Products	1,156	3,579	(2,423)	-67.7%	13,858	10,789	3,069	28.4%
-- Investment Holding	31	(649)	680	-104.8%	(302)	(922)	620	67.2%
	<u>27,576</u>	<u>5,107</u>	<u>22,469</u>	<u>440.0%</u>	<u>95,957</u>	<u>23,392</u>	<u>72,565</u>	<u>310.2%</u>

**Overall Review of Group' Financial Performance**

During the current reporting year to date, the Group achieved a total revenue and total profit before tax of RM657.84 million and RM122.21 million respectively. Total revenue of the Group increased by 33.8% in the current reporting period. The profit before tax of the Group increased by RM89.46 million to RM122.21 million as compared to RM 32.75 million in the corresponding period in the preceding year. This is in line with the higher revenue generated in addition to the better profit margins enjoyed by both the Fasteners and Wire divisions following the increase of its average selling price in the current reporting period.

The equity attributable to the owners of the Company increased to RM665.18 million as at 30.6.2022 as compared to RM580.43 million as at 30.6.2021 after recognition of the profit after tax and declaration of dividend of RM 95.99 million and RM20.63 million respectively. In addition the equity of the Group increased by RM 9.40 million arising from the foreign exchange gain from translation of its foreign subsidiary accounts in the current reporting period.

The cash generated from operating activities increased in line with the higher revenue recorded in the current reporting period. The Group had repaid some of its bank borrowing amounting to RM52.66 mil and paid tax instalment amounting to RM14.62 million during the current reporting period. As at the closing date, the bank balance of the Group stood at RM127.47 million which was an increase by RM41.64 million as compared to the corresponding period in the last financial year.

**Individual Quarter**

**Fasteners Products**

The Fasteners Products Division recorded a higher revenue of RM162.12 million in the current reporting quarter which represented an increase of 64.6% as compared to the preceding year corresponding period. The rebound of demand from the European market had boosted the Group total revenue. The profit before tax of the division in the current reporting quarter improved by RM28.53 million to RM33.20 million as compared to the preceding year corresponding period. The division's better performance in the current reporting quarter is mainly contributed by the increase of wire rod price which had led to higher average selling price and better profit margin for the division. In addition, there is a reversal of impairment in receivables for RM0.65 million in the current quarter which was over provided in the last financial year.

**Wire Products**

There is a 9% increase in the revenue of the Wire division in the current reporting quarter as compared to RM31.87 million recorded in the corresponding quarter preceding year. However, its profit before tax reduced from RM4.37 million in the corresponding quarter of the preceding year to RM1.79 million in the current reporting quarter. This is mainly due to the write off of the deposit of RM1.1 million paid for purchase of raw material to a supplier who defaulted and the drop in profit margin following the slow down of local demand in the current reporting quarter.

**Cumulative Quarter**

The Group recorded a total revenue of RM 657.84 million and a profit before tax of RM122.21 million in the current financial period to date.

**Fasteners Products Division**

The division recorded a total revenue of RM493.27 million in the current reporting period which represents an increase of 40.0% as compared to the preceding reporting period. In line with the higher revenue, the profit before tax of the division improved by RM84.20 mil to RM103.93 mil in the current cumulative quarter. The increased revenue and higher selling price following the increase in global wire rod price is the main contributor to the better performance of the division. Other income increased as a result of the reversal of the unwinding interest for RM2.62 mil and impairment in receivables which had been provided in the last financial year set off with the lower foreign exchange gain in the current quarter.

**Wire Products Division**

The Wire Products Division revenue increased by 18.1% to RM164.57 million and recorded a profit before tax of RM18.51 million in the current reporting period to date. The higher demand following the resumption of the construction activities contributed to the better performance of the division in the current financial year.

**B2. Variation of Results Against Preceding Quarter**

	<b>3 months ended 30.06.22 RM'000</b>	<b>3 months ended 31.03.22 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue - Business Segments				
-- Fasteners Products	162,116	129,103	33,013	25.57%
-- Wire Products	34,754	38,537	(3,783)	-9.82%
	<u>196,870</u>	<u>167,640</u>	29,229	17.44%
Profit/(Loss) before interest & tax				
-- Fasteners Products	33,536	34,530	(994)	-2.88%
-- Wire Products	1,847	3,405	(1,557)	-45.74%
-- Investment Holding	(55)	(171)	116	67.74%
	<u>35,328</u>	<u>37,764</u>	(2,436)	-6.45%
Profit/(Loss) before tax				
-- Fasteners Products	33,200	34,403	(1,203)	-3.50%
-- Wire Products	1,793	3,371	(1,578)	-46.81%
-- Investment Holding	106	(171)	277	162.17%
	<u>35,099</u>	<u>37,603</u>	(2,504)	-6.66%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	26,389	27,583	(1,195)	-4.33%
-- Wire Products	1,156	2,561	(1,405)	-54.86%
-- Investment Holding	31	(171)	202	118.18%
	<u>27,576</u>	<u>29,973</u>	(2,398)	-8.00%

The Group recorded a total revenue of RM196.87 million and profit before tax of RM35.10 million for the current quarter under review.

**Fasteners Products**

The revenue of the Fastener Products Division is RM162.12 million in the current quarter as compared to RM129.10 mil in the immediate preceding quarter. Export to Europe and America are the main contributors to the higher revenue in the current quarter. However, the profit before tax of the division reduced by 3.50% to RM33.20 million in the current quarter as compared to the immediate preceding quarter mainly due to the overall increase in its manufacturing cost.

**Wire Products**

The Wire Products Division posted a lower revenue of RM34.75 mil in the current reporting quarter representing a decline of 9.82% as compared to the RM38.54 million in the immediate preceding quarter. The profit before tax of the division reduced accordingly to RM1.79 mil in the current quarter. Local demand started to slow down in the current quarter as some of the infrastructure project did not commenced as expected.

**B3. Prospects of the Next Financial Year**

The market outlook for the Group in the next financial year is expected to be more challenging as compared to the current financial year. The on-going Ukraine-Russia war, escalating tension between the US-China relations and increase of worldwide interest rate had adversely affected the global economy sentiment which might dampen the global demand for our products. Nevertheless, the Group expects the major construction projects in Malaysia will restart next year after the election which will result in deliveries to customers in the related industry.

In addition to the existing core business, from time to time, the Group will explore other new business ventures which will potentially benefit the growth of the Group.

Barring any unforeseen circumstances, the Group anticipates a 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:

	<b>Current quarter RM'000</b>	<b>Current Year To date RM'000</b>
Depreciation	3,328	13,413
Impairment loss charge on receivables	(652)	(968)
Interest expense	229	874
Interest income	(480)	(1,733)
Gain on disposal of property, plant and equipment	70	70
Unrealised loss/(gain) on foreign exchange	750	782
Realised gain on foreign exchange	(763)	(2,738)
Rental income	(107)	(429)
Unwinding interest reversal	-	(2,618)

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**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 12 months ended</b>	
	<b>30.06.22 RM'000</b>	<b>30.06.21 RM'000</b>	<b>30.06.22 RM'000</b>	<b>30.06.21 RM'000</b>
- Current tax	(7,613)	(2,389)	(26,339)	(8,405)
- Deferred tax liabilities	90	(949)	90	(949)
	<u>(7,523)</u>	<u>(3,338)</u>	<u>(26,249)</u>	<u>(9,354)</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 the lower tax rate enjoyed by the subsidiary in Vietnam.

**B7. Status of Corporate Proposals**

There were no other corporate proposals announced but not completed as at the date of this report.

**B8. Borrowings and Debt Securities**

The Group's borrowings :

<b>As as 30.06.2022</b>	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	-	-
Overdraft	-	-	-
Onshore foreign currency loans	27,339	-	27,339
Short term loans	10,486	-	10,486
	<u>37,825</u>	<u>-</u>	<u>37,825</u>
			37,825
<b>As as 30.06.2021</b>			
Secured:			
Bankers acceptance	-	1,364	1,364
Overdraft	-	-	-
Onshore foreign currency loans	69,681	-	69,681
Short term loans	18,312	-	18,312
	<u>87,993</u>	<u>1,364</u>	<u>89,357</u>

a. The total borrowings as at the end of the reporting period reduced to RM37.83 million as compared to RM89.36 million as of 30.06.2021. The Group had repaid some of its bank borrowings during the current reporting quarter following the higher cash generated from its operations. As a result, lower interest expenses is recorded in the current reporting year.

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

	<b>30.06.22</b> %	<b>30.06.21</b> %
Borrowings denominated in RM		
- Bankers acceptance	-	2.04
Borrowings denominated in USD		
- Onshore foreign currency loans	0.82	0.43
- Short term loans	1.25	2.21

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 except the followings:

- a. On 10 December 2020, Chin Well Service Centre (CWSC), the wholly-owned subsidiary of the Company had filed a Writ of Summon and a Statement of Claim dated 10 December 2020 in the High Court of Malaya at Kuala Lumpur against Lifomax Woodbuild Sdn Bhd and Novamas Enterprise Sdn Bhd (collectively, "the Defendants") through a firm of lawyers acting on its behalf ("the Lifomax/Novamas Claim").

The Lifomax/Novamas Claim sets out that CWSC placed orders of various steel products with the Defendants on diverse dates in 2019 and 2020 for the Defendants to deliver the products to a customer of CWSC namely NBH Service Centre Sdn Bhd (NBHSC). On the Defendants producing invoices accompanied by delivery orders affording evidence of the delivery of the products to NBHSC, CWSC was induced to pay the Defendants the aggregate sum of RM26,340,980 for the products.

The payment to the Defendants was made in discharge of CWSC's obligations as a buyer and it was only upon NBHSC denying receipt of the products purportedly because of the non-delivery of the products that the filing of this action has become necessary.

CWSC is claiming the sum of :

- i. RM15,288,100 against Lifomax Woodbuild Sdn Bhd;
- ii. RM11,052,880 against Novamas Enterprise Sdn Bhd;
- iii. Such further and other relief and order the Honourable Court deems fit.

Both Defendants have filed their respective Defences to the claim and CWSC has filed its Reply to both Defences. The Defendants have also filed applications to strike out the Claim which CWSC is strenuously objecting.

On 1 December 2021, the 1st Defendant i.e. Lifomax Woodbuild Sdn Bhd was wound by the Shah Alam High Court on a petition presented by Azimat Berkat Sdn Bhd based on a Court judgment. Accordingly, the 1st Defendant's application to strike out the Claim has been adjourned pending the instructions of the Official Receiver whilst the Claim is stayed pending leave of the winding up Court.

In addition to the above, both the Defendants' application to strike out the Claim is fixed for case management on 28 March 2022 pending the approval by the shareholders of Chin Well Holdings Berhad of the settlement agreement entered into *inter-alia* between CWSC and NBHSC.

Given that the shareholders of Chin Well Holdings Berhad have approved the said settlement agreement:-

- (i) On 28 February 2022, CWSC discontinued the Novamas Claim with no order as to costs; and
- (ii) On 21 March 2022, CWSC withdrew the Lifomax Claim with no order as to costs.

- b. On 8 December 2020, CWSC filed a Writ of Summon and a Statement of Claim dated 8 December 2020 in the High Court of Malaya at Kuala Lumpur against NHJ Marketing Sdn Bhd. (NHJ), Ng Han John and Ng Han Jim (collectively, "the Defendants") through a firm of lawyers acting on its behalf. Ng Han John and Ng Han Jim are the directors of NHJ ("the NHJ Claim").

The NHJ Claim sets out that CWSC had placed orders of various steel products with the NHJ on diverse dates in 2019 and 2020 for NHJ to deliver the product to a customer of CWSC, namely NBHSC. On NHJ producing invoices accompanied by delivery orders affording evidence of the delivery of the of the products to NBHSC, CWSC induced to pay NHJ the aggregate sum of RM19,800,000 for the products.

The payment to the Defendants was made in discharge of CWSC's obligations as a buyer and it was only upon NBHSC denying receipt of the products purportedly because of the non-delivery of the products that the filing of this action has become necessary.

CWSC is claiming the sum of :

- i. RM19,800,000 against the NHJ;
- ii. A Declaration that the Ng Han John and Ng Han Jim are liable personally in the sum of RM19,800,000.00 to CWSC;
- iii. Judgment for the sum of RM19,800,000.00 against Ng Han John and Ng Han Jim; and
- iv. Costs of this action to be paid by the Defendants to CWSC on client-solicitor basis; and
- v. Such further and other relief and order the Honorable Court deems fit.

The Defendants have filed their respective Defences to the claim and CWSC has filed its Reply to the respective Defences.

The Defendants have also filed applications to strike out the Claim which CWSC is strenuously objecting. The said application to strike out is fixed for case management on 28 March 2022 pending the approval by the shareholders of Chin Well Holdings Berhad of the settlement agreement entered into *inter-alia* between CWSC and NBHSC.

Given that the shareholders of Chin Well Holdings Berhad have approved the said settlement agreement, on 28 February 2022 CWSC discontinued the NHJ Claim with no order as to costs and without liberty to file a fresh.

**B10. Proposed Dividend**

a. The dividend declared in the corresponding quarter and the current reporting quarter are per below:

	Current Quarter	Corresponding Quarter
Interim dividend for the financial year	30.6.2022	30.6.2021
Declared and approved on	29.8.2022	15.9.2021
Entitlement date	25.10.2022	28.10.2021
Payment date	24.11.2022	26.11.2021
Dividend per share	8.00 sen	1.80 sen
Dividend % (Single Tier)	16.00%(single tier)	3.60%(single tier)
Net dividend payable	RM22,916,269	RM5,156,341

b. The total dividend declared for the current financial year ended 30 June 2022 is 13.40 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		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	30.06.22	30.06.21	30.06.22	30.06.21
Profit after tax				
Attributable to owners of the Company (RM'000)	27,607	5,107	95,989	23,392
Weighted average number of ordinary shares ('000)	286,460	288,570	286,460	288,570
Basic Earnings Per Share (sen)	9.64	1.77	33.51	8.11

**(ii) Diluted Earnings Per Share**

Diluted Earnings Per Share (sen)	9.64	1.77	33.51	8.11
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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.