

CHIN WELL HOLDINGS BERHAD
(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 - UNAUDITED

	Unaudited	Audited
	As at	As at
	31.12.22	30.06.22
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	137,587	140,843
Investment properties	67,289	67,333
Right of use assets	328	459
Deferred tax assets	142	143
	<u>205,346</u>	<u>208,778</u>
Current assets		
Inventories	287,214	338,848
Trade and other receivables	68,541	119,109
Current tax assets	6,704	3,274
Cash and bank balances	182,540	127,451
	<u>544,999</u>	<u>588,682</u>
TOTAL ASSETS	<u>750,345</u>	<u>797,460</u>
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	495,886	487,247
	<u>673,815</u>	<u>665,176</u>
Non-controlling interest	2,029	2,052
Total equity	<u>675,844</u>	<u>667,228</u>
Non-current liabilities		
Lease liabilities	84	219
Deferred tax liabilities	8,969	8,469
	<u>9,053</u>	<u>8,688</u>
Current liabilities		
Trade and other payables	63,980	71,114
Contract Liabilities	1,193	2,435
Borrowings	-	37,825
Lease liabilities	275	275
Provision for Tax	-	9,895
	<u>65,448</u>	<u>121,544</u>
Total liabilities	<u>74,501</u>	<u>130,232</u>
TOTAL EQUITY AND LIABILITIES	<u>750,345</u>	<u>797,460</u>
Net assets per share (RM)	2.35	2.21

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 2022. 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 6 MONTHS PERIOD ENDED 31 DECEMBER 2022 - UNAUDITED**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
Revenue	111,459	146,913	270,638	293,328
Cost of sales	<u>(92,770)</u>	<u>(112,263)</u>	<u>(213,982)</u>	<u>(227,162)</u>
Gross profit	18,689	34,650	56,656	66,166
Other income	471	2,022	3,752	3,138
Administrative expenses	(5,440)	(5,205)	(9,779)	(9,596)
Selling and distribution expenses	<u>(1,883)</u>	<u>(3,753)</u>	<u>(4,429)</u>	<u>(9,720)</u>
Operating profit	11,837	27,714	46,200	49,988
Finance costs	<u>(164)</u>	<u>(331)</u>	<u>(299)</u>	<u>(484)</u>
Profit before tax	11,673	27,383	45,901	49,504
Tax expense	<u>(3,163)</u>	<u>(6,236)</u>	<u>(11,518)</u>	<u>(11,096)</u>
Profit for the financial period/year	8,510	21,147	34,383	38,408
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>(9,037)</u>	<u>(998)</u>	<u>(2,848)</u>	<u>2,733</u>
Total comprehensive income for the financial period/year	(527)	20,149	31,535	41,141
Profit attributable to:				
Owners of the parent	8,512	21,147	34,406	38,408
Non-controlling interest	<u>(2)</u>	<u>-</u>	<u>(23)</u>	<u>-</u>
	<u>8,510</u>	<u>21,147</u>	<u>34,383</u>	<u>38,408</u>
Total comprehensive income attributable to:				
Owners of the parent	(525)	20,149	31,558	41,141
Non-controlling interest	<u>(2)</u>	<u>-</u>	<u>(23)</u>	<u>-</u>
	<u>(527)</u>	<u>20,149</u>	<u>31,535</u>	<u>41,141</u>
Earnings per share attributable to owners of the Company (sen)				
- Basic/Diluted	<u>2.97</u>	<u>7.38</u>	<u>12.01</u>	<u>13.41</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 2022. The accompanying notes are an integral part of these interim financial statements.

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(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 31 DECEMBER 2022 - UNAUDITED

	----- Non-distributable -----				Distributable		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	Total RM'000		
At 1 July 2022	177,929	-	(18,880)	11,342	494,785	665,176	2,052	667,228
Foreign exchange differences on translation	-	-	-	(2,848)	-	(2,848)	-	(2,848)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	34,406	34,406	(23)	34,383
Total comprehensive income for the financial year	-	-	-	(2,848)	34,406	31,558	(23)	31,535
Transactions with owners:								
Purchase of treasury shares	-	-	(2)	-	-	(2)	-	(2)
Dividends	-	-	-	-	(22,917)	(22,917)	-	(22,917)
Total transactions with owners	-	-	(2)	-	(22,917)	(22,919)	-	(22,919)
At 31 Dec 2022	177,929	-	(18,882)	8,494	506,274	673,815	2,029	675,844
At 1 July 2021	177,929	-	(18,865)	1,946	419,421	580,431	-	580,431
Foreign exchange differences on translation	-	-	-	2,733	-	2,733	-	2,733
Profit for the financial year	-	-	-	-	38,408	38,408	-	38,408
Total comprehensive income for the financial year	-	-	-	2,733	38,408	41,141	-	41,141
Transaction with owners:								
Purchase of treasury shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(5,156)	(5,156)	-	(5,156)
Total transactions with owners	-	-	-	-	(5,156)	(5,156)	-	(5,156)
At 31 Dec 2021	177,929	-	(18,865)	4,679	452,673	616,416	-	616,416

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 2022. 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 6 MONTHS PERIOD ENDED 31 DECEMBER 2022 - UNAUDITED**

	31.12.22	31.12.21
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	45,901	49,504
Adjustments for:		
Depreciation	6,466	6,687
Gain on disposal of property, plant and equipment	(90)	-
Impairment loss reverse on receivables	(59)	(381)
Interest expense	299	484
Interest income	(269)	(775)
Unrealised loss on foreign exchange	299	142
	52,547	55,399
Operating profit before working capital changes	52,547	55,399
(Increase)/Decrease in inventories	50,303	(39,520)
Decrease/(Increase) in receivables	50,654	(7,338)
(Decrease)/Increase in payables	(13,611)	5,123
Increase in contract liabilities	-	-
	139,893	13,664
Cash from operation	139,893	13,664
Interest received	(299)	(484)
Income tax paid	(18,906)	(7,544)
	120,688	5,636
Net cash from operating activities	120,688	5,636
 Cash flows from investing activities		
Interest received	269	775
Purchase of property, plant and equipment	(3,474)	(3,319)
Net cash used in investing activities	(3,205)	(2,544)
 Cash flows from financing activities		
Dividend paid	(22,917)	(5,156)
Net change in borrowings	(38,147)	(4,742)
Payment of principal portion of lease liabilities	(135)	-
Purchase of treasury shares	(2)	-
Net cash used in financing activities	(61,201)	(9,898)
 Net increase/(decrease) in cash and bank balances	56,282	(6,806)
Effect of changes in exchange rate on cash and bank balances	(1,193)	489
Cash and bank balances at beginning	127,451	85,815
Cash and bank balances at end	182,540	79,498

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 2022. The accompanying notes are an integral part of these interim financial statements.

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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 2022 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 2022.

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 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

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 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 2022 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 the followings:

	Treasury shares	
	No. of Shares	RM
Repurchase of own shares during the current period to date	1,000	1,854
Repurchase of own shares as of 31.12.2022	13,080,800	18,882,299

A8. Dividend Paid

The dividend paid in the previous corresponding period and the current reporting period are per below.

	Financial period ended 31.12.22
	RM
Second interim single tier dividend paid on 24 November 2022 for the financial year ended 30 June 2022 - 8.00 sen per ordinary share	22,917,069
	<u>22,917,069</u>
	Financial period ended 31.12.21
	RM
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
	<u>5,156,341</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
6 months ended 31 December 2022					
Revenue					
External revenue	204,357	66,281	-	-	270,638
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>204,357</u>	<u>66,281</u>	<u>-</u>	<u>-</u>	<u>270,638</u>
Results					
Segment profit	48,934	3,209	254	-	52,397
Finance costs	(275)	(24)	-	-	(299)
Interest income	289	(113)	93	-	269
Depreciation	(4,729)	(1,737)	-	-	(6,466)
Profit before tax	<u>44,219</u>	<u>1,335</u>	<u>347</u>	<u>-</u>	<u>45,901</u>
Segment assets	<u>557,879</u>	<u>115,759</u>	<u>76,707</u>	<u>-</u>	<u>750,345</u>
Segment liabilities	<u>32,526</u>	<u>9,176</u>	<u>32,799</u>	<u>-</u>	<u>74,501</u>

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
6 months ended 31 December 2021					
Revenue					
External revenue	202,046	91,282	-	-	293,328
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>202,046</u>	<u>91,282</u>	<u>-</u>	<u>-</u>	<u>293,328</u>
Results					
Segment profit	40,855	15,294	(249)	-	55,900
Finance costs	(355)	(129)	-	-	(484)
Interest income	655	34	86	-	775
Depreciation	(4,830)	(1,857)	-	-	(6,687)
Profit before tax	<u>36,325</u>	<u>13,342</u>	<u>(163)</u>	<u>-</u>	<u>49,504</u>
Segment assets	<u>604,667</u>	<u>139,123</u>	<u>8,137</u>	<u>-</u>	<u>751,927</u>
Segment liabilities	<u>100,903</u>	<u>34,272</u>	<u>336</u>	<u>-</u>	<u>135,511</u>

(ii) Analysis by geographical segments

	Revenue 6 months		Non-current Assets*	
	ended 31.12.22 RM'000	ended 31.12.21 RM'000	as at 31.12.22 RM'000	as at 31.12.21 RM'000
Malaysia	82,550	96,296	152,349	117,625
Vietnam	897	1,257	52,997	67,157
Other Asian countries	14,416	12,665	-	-
European countries	99,726	106,962	-	-
North America	72,271	63,182	-	-
Others	778	12,966	-	-
	<u>270,638</u>	<u>293,328</u>	<u>205,346</u>	<u>184,782</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 2022.

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 31 December 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

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:
- Property, plant and equipment

RM'000

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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 6 months ended		Changes	
	31.12.22 RM'000	31.12.21 RM'000	RM'000	%	31.12.22 RM'000	31.12.21 RM'000	RM'000	%
Revenue - Business Segments								
-- Fasteners Products	76,674	96,840	(20,166)	-20.8%	204,357	202,046	2,311	1.1%
-- Wire Products	34,785	50,073	(15,288)	-30.5%	66,281	91,282	(25,001)	-27.4%
	<u>111,459</u>	<u>146,913</u>	<u>(35,454)</u>	<u>-24.1%</u>	<u>270,638</u>	<u>293,328</u>	<u>(22,690)</u>	<u>-7.7%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	11,999	20,321	(8,322)	-41.0%	44,494	36,678	7,816	21.3%
-- Wire Products	(282)	7,572	(7,854)	-103.7%	1,359	13,472	(12,113)	-89.9%
-- Investment Holding	120	(179)	299	167.0%	347	(162)	509	314.2%
	<u>11,837</u>	<u>27,714</u>	<u>(15,877)</u>	<u>-57.3%</u>	<u>46,200</u>	<u>49,988</u>	<u>(3,788)</u>	<u>-7.6%</u>
Profit/(Loss) before tax								
-- Fasteners Products	11,842	20,059	(8,217)	-41.0%	44,219	36,323	7,896	21.7%
-- Wire Products	(289)	7,503	(7,792)	-103.9%	1,335	13,343	(12,008)	-90.0%
-- Investment Holding	120	(179)	299	167.0%	347	(162)	509	314.2%
	<u>11,673</u>	<u>27,383</u>	<u>(15,710)</u>	<u>-57.4%</u>	<u>45,901</u>	<u>49,504</u>	<u>(3,603)</u>	<u>-7.3%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent								
-- Fasteners Products	8,626	15,623	(6,997)	-44.8%	33,044	28,429	4,615	16.2%
-- Wire Products	(219)	5,703	(5,922)	-103.8%	1,015	10,141	(9,126)	-90.0%
-- Investment Holding	105	(179)	284	158.7%	347	(162)	509	314.2%
	<u>8,512</u>	<u>21,147</u>	<u>(12,635)</u>	<u>-59.7%</u>	<u>34,406</u>	<u>38,408</u>	<u>(4,002)</u>	<u>-10.4%</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 RM270.64 million and RM45.90 million respectively. Total revenue of the Group declined by 7.7% in the current cumulative period to date. The profit before tax of the Group reduced accordingly to RM45.90 million as compared to RM 49.50 million in the corresponding period in the preceding year in line with the lower revenue generated.

The equity attributable to the owners of the Company increased to RM673.82 million as at 31.12.2022 as compared to RM665.18 million as at 30.6.2022 after recognition of the profit after tax and declaration of dividend of RM 34.41 million and RM22.92 million respectively. In addition the equity of the Group decreased by RM 2.85 million arising from the foreign exchange loss from translation of its foreign subsidiary accounts in the current reporting period.

The cash generated from operating activities is higher in the current reporting period with improved debtors collection coupled with reduction in purchase of raw materials. The Group had fully repaid its bank borrowing amounting to RM38.15 mil and paid dividend of RM22.92 million during the current reporting period. As at the closing date, the bank balance of the Group stood at RM182.54 million which was an increase by RM103.04 million as compared to the corresponding period in the last financial year.

Individual

Fasteners Products

The Fasteners Products Division recorded a lower revenue of RM76.67 million in the current reporting quarter which represented a decrease of 20.8% as compared to the preceding year corresponding period. The profit before tax of the division in the current reporting quarter declined by 41% to RM11.84 million as compared to the preceding year corresponding period. The result of the division in the current reporting quarter is mainly affected by the reduced demand for our products in the European market due to effects of high inflation in the region. The strengthening of Malaysian Ringgit against US Dollar in the current quarter had translated into lower export sales and profit margin. Demand from local market also slowed down due to market uncertainties after the announcement of dissolution of Parliament.

Wire Products

There is a 30.5% decline in the revenue of the Wire division in the current reporting quarter as compared to RM50.07 million recorded in the corresponding quarter preceding year. The Wire division recorded a loss before tax of RM0.29mil in the current reporting quarter as compared to a profit before tax of RM7.50million in the corresponding quarter preceding year. The performance of the division was adversely affected by the weak economy in the global market and increase of its raw material cost. Local demand fell due to uncertain market sentiment after the announcement of dissolution of Parliament.

Cumulative Quarter

The Group recorded a total revenue of RM 270.64 million and a profit before tax of RM45.90 million in the current financial period to date.

Fasteners Products Division

The division recorded a total revenue of RM204.36 million in the current reporting period which represents an increase of 1.1% as compared to the preceding reporting period. The profit before tax of the division improved by RM7.90 mil to RM44.22 mil in the current cumulative quarter. The increased revenue and higher selling price is the main contributor to the better performance of the division. Profit before tax further improved after some of its ocean freight expenses had been transferred to its customers.

Wire Products Division

The Wire Products Division revenue decreased by 27.4% to RM66.28 million and recorded a profit before tax of RM1.34 million in the current reporting period to date. The performance of the division is adversely affected by the dampened global market sentiment, high inflation rate and uncertain local political conditions during the reporting period.

B2. Variation of Results Against Preceding Quarter

	3 months ended	3 months ended	Changes	
	31.12.22	30.09.22	RM'000	%
	RM'000	RM'000		
Revenue - Business Segments				
-- Fasteners Products	76,674	127,683	(51,009)	-39.95%
-- Wire Products	34,785	31,496	3,289	10.44%
	<u>111,459</u>	<u>159,179</u>	(47,720)	-29.98%
Profit/(Loss) before interest & tax				
-- Fasteners Products	11,999	32,495	(20,496)	-63.07%
-- Wire Products	(282)	1,641	(1,923)	-117.18%
-- Investment Holding	120	227	(107)	47.14%
	<u>11,837</u>	<u>34,363</u>	(22,526)	-65.55%
Profit/(Loss) before tax				
-- Fasteners Products	11,842	32,377	(20,535)	-63.42%
-- Wire Products	(289)	1,624	(1,913)	-117.80%
-- Investment Holding	120	227	(107)	-47.14%
	<u>11,673</u>	<u>34,228</u>	(22,555)	-65.90%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	8,626	24,418	(15,792)	-64.67%
-- Wire Products	(219)	1,234	(1,453)	-117.75%
-- Investment Holding	105	242	(137)	-56.61%
	<u>8,512</u>	<u>25,894</u>	(17,382)	-67.13%

The Group recorded a total revenue of RM111.46 million and profit before tax of RM11.67 million for the current quarter under review.

Fasteners Products

The revenue of the Fastener Products Division is RM76.67 million in the current quarter as compared to RM127.68 mil in the immediate preceding quarter. Export to Europe dropped in the current quarter significantly as it was affected by the reduced demand in the European markets for our products due to recession in the European economy as a result of the on-going war between Russia and Ukraine. The profit before tax of the division reduced by 63.42% to RM11.84 million in the current quarter as compared to the immediate preceding quarter. The strengthening of Malaysian Ringgit against US Dollar in the current quarter had resulted in lower translated revenue and decline of profit margin.

Wire Products

The Wire Products Division posted a higher revenue of RM34.79 mil in the current reporting quarter representing an increase of 10.44% as compared to the RM31.50 million in the immediate preceding quarter. However, the higher sales did not result in profit. The division recorded a loss before tax of RM0.29 mil in the current quarter. This is mainly due to the division achieving a lower selling price in the current quarter following the drop in global wire rod price which had eroded the profit margin of the division.

B3. Prospects of the remaining quarters in the current financial Year

The market outlook for the Group in the current financial year is expected to be more challenging as compared to the last financial year. The on-going Ukraine-Russia war , the escalating tension between US-China relations and impending recession in major markets as a result of interest rate hikes had adversely affected the global economic sentiment which might dampen the global demand for the fasteners product. Nevertheless, the Group expect the construction projects in Malaysia will restart following the formation of the Unity Government after the national election, which will result in deliveries to customers in the related industry.

The existing DIY segment in Vietnam will continue to bring positive contribution to the Group's performance through the increase of its distribution network in the European and US markets. The Wire Product division with the expansion in production from new product lines such as welded fencing, gabion and poultry mesh, which commenced 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 other new business ventures which will potentially benefit the growth of the Group.

Barring any unforeseen circumstances, the Group cautiously optimistic anticipates a satisfactory performance in the current financial year.

B4. Profit Forecast

There was no profit forecast made in any public document.

B5. Profit For The Period

Included in profit or loss for the current quarter and financial year to to date are as follows:

	Current quarter RM'000	Current Year To date RM'000
Depreciation	2,952	6,466
Impairment loss charge on receivables	(36)	(59)
Interest expense	164	299
Interest income	(143)	(269)
Gain on disposal of property, plant and equipment	-	(90)
Unrealised loss/(gain) on foreign exchange	1,228	299
Realised gain on foreign exchange	(335)	(2,481)
Rental income	98	(58)

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 6 months ended	
	31.12.22 RM'000	31.12.21 RM'000	31.12.22 RM'000	31.12.21 RM'000
- Current tax	(2,663)	(6,377)	(11,018)	(11,237)
- Deferred tax liabilities	(500)	141	(500)	141
	<u>(3,163)</u>	<u>(6,236)</u>	<u>(11,518)</u>	<u>(11,096)</u>

The Group's effective tax rate for the current period under review is approximately 25% mainly due to adjustment on the deferred tax liabilities.

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 :

As as 31.12.2022	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	-	-
Overdraft	-	-	-
Onshore foreign currency loans	-	-	-
Short term loans	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
As as 31.12.2021			
Secured:			
Bankers acceptance	-	-	-
Overdraft	-	-	-
Onshore foreign currency loans	57,561	-	57,561
Short term loans	26,968	-	26,968
	<u>84,529</u>	<u>-</u>	<u>84,529</u>

- a. The Group had fully settled 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:

	31.12.22 %	31.12.21 %
Borrowings denominated in RM		
- Bankers acceptance	-	-
Borrowings denominated in USD		
- Onshore foreign currency loans	2.27	0.39
- Short term loans	2.47	1.30

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. 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	30.6.2023	30.6.2022
Declared and approved on	28.2.2023	23.2.2022
Entitlement date	25.4.2023	25.04.2022
Payment date	22.5.2023	20.5.2022
Dividend per share	4.80 sen	5.40 sen
Dividend % (Single Tier)	9.60%(single tier)	10.80%(single tier)
Net dividend payable	RM13,749,714	RM15,469,022

b. The total dividend declared for the current financial year ended 30 June 2023 is 4.80 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 6 months ended	
	31.12.22	31.12.21	31.12.22	31.12.21
Profit after tax Attributable to owners of the Company (RM'000)	8,512	21,147	34,406	38,408
Weighted average number of ordinary shares ('000)	286,453	286,463	286,453	286,463
Basic Earnings Per Share (sen)	2.97	7.38	12.01	13.41

(ii) **Diluted Earnings Per Share**

Diluted Earnings Per Share (sen)	2.97	7.38	12.01	13.41
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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.