

CHIN WELL HOLDINGS BERHAD
(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 - UNAUDITED

	Unaudited	Audited
	As at	As at
	31.03.23	30.06.22
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	135,788	140,843
Investment properties	67,267	67,333
Right of use assets	262	459
Deferred tax assets	143	143
	<u>203,460</u>	<u>208,778</u>
Current assets		
Inventories	290,740	338,848
Trade and other receivables	74,633	119,109
Current tax assets	8,022	3,274
Cash and bank balances	185,280	127,451
	<u>558,675</u>	<u>588,682</u>
TOTAL ASSETS	762,135	797,460
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	483,533	487,247
	<u>661,462</u>	<u>665,176</u>
Non-controlling interest	2,011	2,052
Total equity	<u>663,473</u>	<u>667,228</u>
Non-current liabilities		
Lease liabilities	14	219
Deferred tax liabilities	9,219	8,469
	<u>9,233</u>	<u>8,688</u>
Current liabilities		
Trade and other payables	58,729	71,114
Contract Liabilities	1,312	2,435
Borrowings	12,720	37,825
Lease liabilities	275	275
Dividend payables	13,750	-
Provision for Tax	2,643	9,895
	<u>89,429</u>	<u>121,544</u>
Total liabilities	<u>98,662</u>	<u>130,232</u>
TOTAL EQUITY AND LIABILITIES	762,135	797,460
Net assets per share (RM)	2.31	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 9 MONTHS PERIOD ENDED 31 MARCH 2023 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Revenue	90,204	167,640	360,842	460,968
Cost of sales	<u>(81,679)</u>	<u>(125,027)</u>	<u>(295,661)</u>	<u>(352,189)</u>
Gross profit	8,525	42,613	65,181	108,779
Other income	944	3,469	4,696	6,607
Administrative expenses	(7,661)	(5,741)	(17,440)	(15,337)
Selling and distribution expenses	<u>(1,600)</u>	<u>(2,577)</u>	<u>(6,029)</u>	<u>(12,297)</u>
Operating profit	208	37,764	46,408	87,752
Finance costs	<u>(54)</u>	<u>(161)</u>	<u>(353)</u>	<u>(645)</u>
Profit before tax	154	37,603	46,055	87,107
Tax expense	<u>(192)</u>	<u>(7,630)</u>	<u>(11,710)</u>	<u>(18,726)</u>
Profit for the financial period/year	(38)	29,973	34,345	68,381
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>1,417</u>	<u>982</u>	<u>(1,431)</u>	<u>3,715</u>
Total comprehensive income				
for the financial period/year	1,379	30,955	32,914	72,096
Profit attributable to:				
Owners of the parent	(20)	29,974	34,386	68,382
Non-controlling interest	<u>(18)</u>	<u>(1)</u>	<u>(41)</u>	<u>(1)</u>
	<u>(38)</u>	<u>29,973</u>	<u>34,345</u>	<u>68,381</u>
Total comprehensive income				
attributable to:				
Owners of the parent	1,397	30,956	32,955	72,097
Non-controlling interest	<u>(18)</u>	<u>(1)</u>	<u>(41)</u>	<u>(1)</u>
	<u>1,379</u>	<u>30,955</u>	<u>32,914</u>	<u>72,096</u>
Earnings per share attributable				
to owners of the Company (sen)				
- Basic/Diluted	<u>(0.01)</u>	<u>10.46</u>	<u>12.00</u>	<u>23.87</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.

CHIN WELL HOLDINGS BERHAD
(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS PERIOD ENDED 31 MARCH 2023 - 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	-	-	-	(1,431)	-	(1,431)	-	(1,431)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	34,386	34,386	(41)	34,345
Total comprehensive income for the financial year	-	-	-	(1,431)	34,386	32,955	(41)	32,914
Transactions with owners:								
Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Dividends	-	-	-	-	(36,666)	(36,666)	-	(36,666)
Total transactions with owners	-	-	(3)	-	(36,666)	(36,669)	-	(36,669)
At 31 Dec 2022	<u>177,929</u>	<u>-</u>	<u>(18,883)</u>	<u>9,911</u>	<u>492,505</u>	<u>661,462</u>	<u>2,011</u>	<u>663,473</u>
At 1 July 2021	177,929	-	(18,865)	1,946	419,421	580,431	-	580,431
Foreign exchange differences on translation	-	-	-	3,715	-	3,715	2,083	5,798
Profit for the financial year	-	-	-	-	68,382	68,382	(1)	68,381
Total comprehensive income for the financial year	-	-	-	3,715	68,382	72,097	2,082	74,179
Transaction 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)
At 31 Mar 2022	<u>177,929</u>	<u>-</u>	<u>(18,880)</u>	<u>5,661</u>	<u>467,178</u>	<u>631,888</u>	<u>2,082</u>	<u>633,970</u>

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 9 MONTHS PERIOD ENDED 31 MARCH 2023 - UNAUDITED

	31.03.23 RM'000	31.03.22 RM'000
Cash flows from operating activities		
Profit before tax	46,055	87,107
Adjustments for:		
Depreciation	9,738	10,085
Gain on disposal of property, plant and equipment	(90)	-
Impairment loss reverse on receivables	(51)	(316)
Interest expense	353	645
Interest income	(1,672)	(1,253)
Inventory written down	-	-
Reversal of Unwinding interest	-	(2,618)
Property, plant and equipment written off	-	
Unrealised loss on foreign exchange	249	32
	54,582	93,682
Operating profit before working capital changes	54,582	93,682
(Increase)/Decrease in inventories	47,288	(26,519)
Decrease in receivables	43,929	10,151
Decrease in payables	(12,228)	(15,743)
Increase in contract liabilities	(1,122)	-
	132,449	61,571
Cash from operation	132,449	61,571
Interest received	(353)	(646)
Income tax paid	(22,909)	(15,343)
	109,187	45,582
Net cash from operating activities	109,187	45,582
Cash flows from investing activities		
Interest received	1,672	1,253
Cashflow from acquisition of equity interest in subsidiaries	-	(9)
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(4,558)	(4,096)
Net cash used in investing activities	(2,886)	(2,851)
Cash flows from financing activities		
Dividend paid	(22,916)	(5,156)
Net change in borrowings	(24,721)	(24,614)
Payment of principal portion of lease liabilities	(204)	(191)
Purchase of treasury shares	(3)	(15)
Net cash used in financing activities	(47,844)	(29,976)
Net increase in cash and bank balances	58,457	12,755
Effect of changes in exchange rate on cash and bank balances	(628)	(1,097)
Cash and bank balances at beginning	127,451	85,815
Cash and bank balances at end	185,280	97,473

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.

CHIN WELL HOLDINGS BERHAD
(371551-T)

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	2,000	3,477
Repurchase of own shares as of 31.03.2023	13,081,800	18,883,923

A8. Dividend Paid

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

	Financial period ended 31.03.23 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 31.03.22 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
9 months ended 31 March 2023					
Revenue					
External revenue	268,386	92,456	-	-	360,842
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>268,386</u>	<u>92,456</u>	<u>-</u>	<u>-</u>	<u>360,842</u>
Results					
Segment profit	48,882	5,214	378	-	54,474
Finance costs	(253)	(100)	-	-	(353)
Interest income	1,337	220	115	-	1,672
Depreciation	(7,247)	(2,491)	-	-	(9,738)
Profit before tax	<u>42,719</u>	<u>2,843</u>	<u>493</u>	<u>-</u>	<u>46,055</u>
Segment assets	<u>554,765</u>	<u>119,852</u>	<u>87,518</u>	<u>-</u>	<u>762,135</u>
Segment liabilities	<u>40,358</u>	<u>12,123</u>	<u>46,181</u>	<u>-</u>	<u>98,662</u>
	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
9 months ended 31 March 2022					
Revenue					
External revenue	331,149	129,819	-	-	460,968
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>331,149</u>	<u>129,819</u>	<u>-</u>	<u>-</u>	<u>460,968</u>
Results					
Segment profit	77,441	19,597	(454)	-	96,584
Finance costs	(482)	(163)	-	-	(645)
Interest income	1,080	52	121	-	1,253
Depreciation	(7,313)	(2,772)	-	-	(10,085)
Profit before tax	<u>70,726</u>	<u>16,714</u>	<u>(333)</u>	<u>-</u>	<u>87,107</u>
Segment assets	<u>595,125</u>	<u>136,775</u>	<u>71,664</u>	<u>-</u>	<u>803,563</u>
Segment liabilities	<u>92,399</u>	<u>29,362</u>	<u>47,833</u>	<u>-</u>	<u>169,593</u>

(ii) Analysis by geographical segments

	Revenue 9 months		Non-current Assets*	
	ended 31.03.23 RM'000	ended 31.03.22 RM'000	as at 31.03.23 RM'000	as at 31.03.22 RM'000
Malaysia	121,075	139,625	151,399	154,727
Vietnam	1,184	2,197	52,061	66,281
Other Asian countries	19,141	18,469	-	-
European countries	121,218	187,700	-	-
North America	97,318	93,409	-	-
Others	906	19,568	-	-
	<u>360,842</u>	<u>460,968</u>	<u>203,460</u>	<u>221,008</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 March 2023 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:	RM'000
- Property, plant and equipment	<u>308</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		Changes		Cumulative Quarter		Changes	
	3 months ended		RM'000	%	9 months ended		RM'000	%
	31.03.23 RM'000	31.03.22 RM'000			31.03.23 RM'000	31.03.22 RM'000		
Revenue - Business Segments								
-- Fasteners Products	64,029	129,103	(65,074)	-50.4%	268,386	331,149	(62,763)	-19.0%
-- Wire Products	26,175	38,537	(12,362)	-32.1%	92,456	129,819	(37,363)	-28.8%
	<u>90,204</u>	<u>167,640</u>	<u>(77,436)</u>	<u>-46.2%</u>	<u>360,842</u>	<u>460,968</u>	<u>(100,126)</u>	<u>-21.7%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	(1,522)	34,530	(36,052)	-104.4%	42,972	71,208	(28,236)	-39.7%
-- Wire Products	1,584	3,405	(1,821)	-53.5%	2,943	16,877	(13,934)	-82.6%
-- Investment Holding	146	(171)	317	-185.6%	493	(333)	826	248.3%
	<u>208</u>	<u>37,764</u>	<u>(37,556)</u>	<u>-99.4%</u>	<u>46,408</u>	<u>87,752</u>	<u>(41,344)</u>	<u>-47.1%</u>
Profit/(Loss) before tax								
-- Fasteners Products	(1,500)	34,403	(35,903)	-104.4%	42,719	70,726	(28,007)	-39.6%
-- Wire Products	1,508	3,371	(1,863)	-55.3%	2,843	16,714	(13,871)	-83.0%
-- Investment Holding	146	(171)	317	-185.6%	493	(333)	826	248.3%
	<u>154</u>	<u>37,603</u>	<u>(37,449)</u>	<u>-99.6%</u>	<u>46,055</u>	<u>87,107</u>	<u>(41,052)</u>	<u>-47.1%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent					(46,055)			
-- Fasteners Products	(1,316)	27,583	(28,899)	-104.8%	31,728	56,012	(24,284)	-43.4%
-- Wire Products	1,146	2,561	(1,415)	-55.2%	2,161	12,702	(10,541)	-83.0%
-- Investment Holding	150	(171)	321	-188.0%	497	(333)	830	249.5%
	<u>(20)</u>	<u>29,973</u>	<u>(29,993)</u>	<u>-100.1%</u>	<u>34,386</u>	<u>68,381</u>	<u>(33,995)</u>	<u>-49.7%</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 RM360.84 million and RM46.06 million respectively. Total revenue of the Group declined by 21.7% in the current cumulative period to date. The profit before tax of the Group reduced accordingly to RM46.06 million as compared to RM 87.11 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 reduced to RM661.46 million as at 31.03.2023 as compared to RM665.18 million as at 30.6.2022 after recognition of the profit after tax and declaration of dividend of RM 34.39 million and RM36.67 million respectively. In addition the equity of the Group decreased by RM 1.43 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 by RM63.61 mil in the current reporting period with improved debtors collection coupled with reduction in purchase of raw materials. The Group had substantially repaid its bank borrowing amounting to RM24.72 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 RM185.28 million which was an increase by RM87.81 million as compared to the corresponding period in the last financial year.

Individual

Fasteners Products

The revenue of the Fasteners Products Division declined by 50.40% to RM64.03 mil in the current reporting quarter as compared to the preceding year corresponding period. The division registered a loss before tax of RM1.50mil in the current reporting quarter as compared to a profit before tax of RM34.30mil in 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 coupled with the drop in average selling price which had reduced the profit margin of the division. Demand from local market also slowed down due to market uncertainties. Other income was higher in the preceding year corresponding quarter as there was a reversal of unwinding interest amounting to RM2.36 mil.

Wire Products

The revenue of the Wire division in the current reporting quarter is 32.10% lower as compared to RM38.54 million recorded in the corresponding quarter preceding year. The Wire division recorded a profit before tax of RM1.51mil in the current reporting quarter which was a 55.3% lower as compared to a profit before tax of RM3.37million in the corresponding quarter preceding year. The performance of the division was adversely affected by the weak global economic sentiment. In addition local demand has not fully recovered since the formation of the Unity Government.

Cumulative Quarter

The Group recorded a total revenue of RM 360.84 million and a profit before tax of RM46.06 million in the current financial period to date.

Fasteners Products Division

The division recorded a total revenue of RM268.39 million in the current reporting period which represents an decrease of 19.0% as compared to the preceding corresponding reporting period. The profit before tax of the division declined by 39.6% to RM42.72 mil in the current cumulative quarter. The weak global market sentiment and lower selling price are the main reasons contributing to the weaker performance of the division. The stiff price competition from China after their border reopening had further dampened the result of the division. Other income in the current reporting period to date is lower as there was a reversal of unwinding interest income in the preceding corresponding period to date.

Wire Products Division

The Wire Products Division revenue decreased by 28.8% to RM92.46 million and recorded a profit before tax of RM2.84 million in the current reporting period to date. The performance of the division is negatively affected by the unfavourable global market conditions during the reporting period.

B2. Variation of Results Against Preceding Quarter

	3 months ended 31.03.23 RM'000	3 months ended 31.12.22 RM'000	Changes	
			RM'000	%
Revenue - Business Segments				
-- Fasteners Products	64,029	76,674	(12,645)	-16.49%
-- Wire Products	26,175	34,785	(8,610)	-24.75%
	<u>90,204</u>	<u>111,459</u>	(21,255)	-19.07%
Profit/(Loss) before interest & tax				
-- Fasteners Products	(1,522)	11,999	(13,521)	-112.68%
-- Wire Products	1,584	(282)	1,866	-661.70%
-- Investment Holding	146	120	26	-21.67%
	<u>208</u>	<u>11,837</u>	(11,629)	-98.24%
Profit/(Loss) before tax				
-- Fasteners Products	(1,500)	11,842	(13,342)	-112.67%
-- Wire Products	1,508	(289)	1,797	-621.80%
-- Investment Holding	146	120	26	-21.67%
	<u>154</u>	<u>11,673</u>	(11,519)	-98.68%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	(1,316)	8,626	(9,942)	-115.26%
-- Wire Products	1,146	(219)	1,365	-623.29%
-- Investment Holding	150	105	45	-42.86%
	<u>(20)</u>	<u>8,512</u>	(8,532)	-100.23%

The Group recorded a total revenue of RM90.20 million and profit before tax of RM0.15 million for the current quarter under review.

Fasteners Products

The revenue of the Fastener Products Division is RM64.03 million in the current quarter as compared to RM76.67 mil in the immediate preceding quarter. Export to Europe continued dropping in the current quarter. The demand in the European markets reduced significantly due to the down turn of economy following the on-going war between Russia and Ukraine. The division recorded a loss before tax of RM1.50 mil in the current quarter as compared to a profit before tax of RM11.84mil in the immediate preceding quarter. The price competition from China after re-opening of their country border had reduced our average selling price and profit margin.

Wire Products

The Wire Products Division posted a lower revenue of RM26.18 mil in the current reporting quarter representing a decrease of 24.75% as compared to the RM34.79 million in the immediate preceding quarter. However, the division managed to turn around its result from a loss before tax of RM0.29 mil in the last quarter to a profit before tax of RM1.51 mil in the current quarter which mainly contributed by its better product mix and pricing.

B3. Prospects of the remaining quarter 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 restart of construction projects in Malaysia following the formation of the Unity Government 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	3,272	9,738
Impairment loss charge on receivables	8	(51)
Interest expense	54	353
Interest income	(1,403)	(1,672)
Gain on disposal of property, plant and equipment	-	(90)
Unrealised loss/(gain) on foreign exchange	(50)	249
Realised gain on foreign exchange	(26)	(2,507)
Rental income	(414)	(472)

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		Cumulative Quarter	
	3 months ended		9 months ended	
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
- Current tax	58	(8,254)	(10,960)	(19,350)
- Deferred tax liabilities	(250)	624	(750)	624
	<u>(192)</u>	<u>(7,630)</u>	<u>(11,710)</u>	<u>(18,726)</u>

The Group's effective tax rate for the current reporting quarter is higher than the statutory tax rate 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 31.03.2023	Denominated in USD RM'000	Denominated in RM RM'000	Total RM'000
Secured:			
Short term			
Bankers acceptance	-	5,000	5,000
Overdraft	-	-	-
Onshore foreign currency loans	-	-	-
Short term loans	7,720	-	7,720
	<u>7,720</u>	<u>5,000</u>	<u>12,720</u>
As as 31.03.2022			
Secured:			
Bankers acceptance	-	-	-
Overdraft	-	-	-
Onshore foreign currency loans	45,161	-	45,161
Short term loans	19,907	-	19,907
	<u>65,068</u>	<u>-</u>	<u>65,068</u>

a. The Group had substantially settled its bank borrowings during the current reporting period 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:

	31.03.23	31.03.22
	%	%
Borrowings denominated in RM		
- Bankers acceptance	3.35	-
Borrowings denominated in USD		
- Onshore foreign currency loans		0.44
- Short term loans	3.78	1.16

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	26.4.2023	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	RM13,749,665.58	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 9 months ended	
	31.03.23	31.03.22	31.03.23	31.03.22
Profit after tax Attributable to owners of the Company (RM'000)	(20)	29,974	34,386	68,381
Weighted average number of ordinary shares ('000)	286,452	286,463	286,452	286,463
Basic Earnings Per Share (sen)	(0.01)	10.46	12.00	23.87

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	(0.01)	10.46	12.00	23.87
----------------------------------	--------	-------	-------	-------

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.