

CHIN WELL HOLDINGS BERHAD
(371551-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023 - UNAUDITED

	Unaudited	Audited
	As at	As at
	30.06.23	30.06.22
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	136,960	140,843
Investment properties	67,164	67,333
Right of use assets	588	459
Deferred tax assets	-	143
	<u>204,712</u>	<u>208,778</u>
Current assets		
Inventories	291,732	338,848
Trade and other receivables	59,629	119,109
Current tax assets	7,838	3,274
Other investment	58,551	-
Cash and bank balances	138,433	127,451
	<u>556,183</u>	<u>588,682</u>
TOTAL ASSETS	<u>760,895</u>	<u>797,460</u>
EQUITY AND LIABILITIES		
Share capital	177,929	177,929
Reserves	502,441	487,247
	<u>680,370</u>	<u>665,176</u>
Non-controlling interest	1,980	2,052
Total equity	<u>682,350</u>	<u>667,228</u>
Non-current liabilities		
Lease liabilities	466	219
Deferred tax liabilities	8,985	8,469
	<u>9,451</u>	<u>8,688</u>
Current liabilities		
Trade and other payables	59,935	71,114
Contract Liabilities	1,504	2,435
Borrowings	5,427	37,825
Lease liabilities	124	275
Provision for Tax	2,104	9,895
	<u>69,094</u>	<u>121,544</u>
Total liabilities	<u>78,545</u>	<u>130,232</u>
TOTAL EQUITY AND LIABILITIES	<u>760,895</u>	<u>797,460</u>
Net assets per share (RM)	2.38	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 12 MONTHS PERIOD ENDED 30 JUNE 2023 - UNAUDITED

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Revenue	95,610	196,870	456,452	657,838
Cost of sales	<u>(90,484)</u>	<u>(150,340)</u>	<u>(386,145)</u>	<u>(502,529)</u>
Gross profit	5,126	46,530	70,307	155,309
Other income	9,760	901	14,456	7,508
Administrative expenses	(7,558)	(8,518)	(24,998)	(23,855)
Selling and distribution expenses	<u>(1,011)</u>	<u>(3,585)</u>	<u>(7,040)</u>	<u>(15,882)</u>
Operating profit	6,317	35,328	52,725	123,080
Finance costs	<u>(92)</u>	<u>(229)</u>	<u>(445)</u>	<u>(874)</u>
Profit before tax	6,225	35,099	52,280	122,206
Tax expense	<u>(1,181)</u>	<u>(7,523)</u>	<u>(12,891)</u>	<u>(26,249)</u>
Profit for the financial period/year	5,044	27,576	39,389	95,957
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>(5)</u>	<u>5,681</u>	<u>12,402</u>	<u>9,396</u>
Total comprehensive income for the financial period/year	5,039	33,257	51,791	105,353
Profit attributable to:				
Owners of the parent	5,075	27,607	39,461	95,989
Non-controlling interest	<u>(31)</u>	<u>(31)</u>	<u>(72)</u>	<u>(32)</u>
	<u>5,044</u>	<u>27,576</u>	<u>39,389</u>	<u>95,957</u>
Total comprehensive income attributable to:				
Owners of the parent	5,070	33,288	51,863	105,385
Non-controlling interest	<u>(31)</u>	<u>(31)</u>	<u>(72)</u>	<u>(32)</u>
	<u>5,039</u>	<u>33,257</u>	<u>51,791</u>	<u>105,353</u>
Earnings per share attributable				
to owners of the Company (sen)				
- Basic/Diluted	<u>1.77</u>	<u>9.64</u>	<u>13.78</u>	<u>33.50</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 12 MONTHS PERIOD ENDED 30 JUNE 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	-	-	-	12,402	-	12,402	-	12,402
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	39,461	39,461	(72)	39,389
Total comprehensive income for the financial year	-	-	-	12,402	39,461	51,863	(72)	51,791
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 30 June 2023	177,929	-	(18,883)	23,744	497,580	680,370	1,980	682,350
At 1 July 2021	177,929	-	(18,865)	1,946	419,421	580,431	-	580,431
Foreign exchange differences on translation	-	-	-	9,396	-	9,396	2,083	11,479
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	2,051	107,436
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 30 June 2022	177,929	-	(18,880)	11,342	494,785	665,176	2,051	667,227

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 12 MONTHS PERIOD ENDED 30 JUNE 2023 - UNAUDITED

	30.06.23	30.06.22
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	52,280	122,206
Adjustments for:		
Depreciation	13,428	13,413
Gain on disposal of property, plant and equipment	(90)	70
Impairment loss charge/(reverse) on receivables	375	(1,782)
Interest expense	445	874
Interest income	(5,660)	(1,733)
Distribution income	(486)	-
Fair value (gain)/loss on short term fund investments	(348)	-
Gain on derecognition of right-of-use assets	(22)	-
Inventory written down	561	(1,924)
Reversal of Unwinding interest	-	(2,618)
Property, plant and equipment written off	85	11,198
Unrealised (gain)/loss on foreign exchange	(1,748)	782
	58,820	140,486
Operating profit before working capital changes	58,820	140,486
(Increase)/Decrease in inventories	52,211	(5,087)
Decrease in receivables	59,775	18,686
Decrease in payables	(12,086)	(23,832)
Increase in contract liabilities	(931)	1,457
	157,789	131,710
Cash from operation	157,789	131,710
Interest paid	(445)	(831)
Income tax paid	(24,703)	(14,618)
	132,641	116,261
Net cash from operating activities	132,641	116,261
Cash flows from investing activities		
Interest received	5,660	1,733
Cashflow from acquisition of equity interest in subsidiaries	-	10
Placement of other investment	(57,717)	-
Net cash used in Fixed deposit	2,421	25,717
Proceeds from disposal of property, plant and equipment	90	62
Purchase of property, plant and equipment	(6,732)	(4,947)
Net cash (used in)/from investing activities	(56,278)	22,575
Cash flows from financing activities		
Dividend paid	(36,666)	(20,625)
Net change in borrowings	(32,280)	(52,956)
Payment of principal portion of lease liabilities	(300)	-
Purchase of treasury shares	(3)	(15)
Net cash used in financing activities	(69,249)	(73,596)
Net increase in cash and bank balances	7,114	65,240
Effect of changes in exchange rate on cash and bank balances	3,868	2,114
Cash and bank balances at beginning	127,451	60,097
Cash and bank balances at end	138,433	127,451

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	2,000	3,477
Repurchase of own shares as of 30.06.2023	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 30.06.23 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
First interim single tier dividend paid on 22 May 2023 for the financial year ended 30 June 2023 - 4.80 sen per ordinary share	13,749,714
	<u>36,666,783</u>
	Financial period ended 30.06.22 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
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>

A9. Segment Information

Segment information is presented in respect of the Group's business segments. Inter-segment pricing is determined based on negotiated basis.

(i) Analysis by business segments

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination/ Adjustment RM'000	Group RM'000
12 months ended 30 June 2023					
Revenue					
External revenue	345,662	110,790	-	-	456,452
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>345,662</u>	<u>110,790</u>	<u>-</u>	<u>-</u>	<u>456,452</u>
Results					
Segment profit	54,908	5,530	37,654	(37,599)	60,493
Finance costs	(325)	(120)			(445)
Interest income	4,946	271	443		5,660
Depreciation	(10,238)	(3,190)	-	-	(13,428)
Profit before tax	<u>49,291</u>	<u>2,491</u>	<u>38,097</u>	<u>(37,599)</u>	<u>52,280</u>
Segment assets	<u>555,657</u>	<u>118,310</u>	<u>86,928</u>	<u>-</u>	<u>760,895</u>
Segment liabilities	<u>35,016</u>	<u>10,642</u>	<u>32,887</u>	<u>-</u>	<u>78,545</u>

	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
12 months ended 30 June 2022					
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	113,059	22,328	15,209	(15,836)	134,761
Finance costs	(895)	(217)		238	(874)
Interest income	1,495	77	400	(238)	1,733
Depreciation	(9,733)	(3,680)	-	-	(13,413)
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>

(ii) Analysis by geographical segments

	Revenue 12 months ended		Non-current Assets* as at	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Malaysia	149,896	185,704	151,153	153,297
Vietnam	1,793	2,909	53,560	55,481
Other Asian countries	22,969	25,001	-	-
European countries	148,051	282,239	-	-
North America	132,472	136,338	-	-
Others	1,271	25,647	-	-
	<u>456,452</u>	<u>657,838</u>	<u>204,713</u>	<u>208,778</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 30 June 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>1,708</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	
	30.06.23 RM'000	30.06.22 RM'000	RM'000	%	30.06.23 RM'000	30.06.22 RM'000	RM'000	%
Revenue - Business Segments								
-- Fasteners Products	77,276	162,116	(84,840)	-52.3%	345,662	493,265	(147,603)	-29.9%
-- Wire Products	18,334	34,754	(16,420)	-47.2%	110,790	164,573	(53,783)	-32.7%
	<u>95,610</u>	<u>196,870</u>	<u>(101,260)</u>	<u>-51.4%</u>	<u>456,452</u>	<u>657,838</u>	<u>(201,386)</u>	<u>-30.6%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	6,644	33,536	(26,892)	-80.2%	49,616	104,744	(55,128)	-52.6%
-- Wire Products	(332)	1,847	(2,179)	-118.0%	2,611	18,724	(16,113)	-86.1%
-- Investment Holding	5	(55)	60	-109.1%	498	(388)	886	228.4%
	<u>6,317</u>	<u>35,328</u>	<u>(29,011)</u>	<u>-82.1%</u>	<u>52,725</u>	<u>123,080</u>	<u>(70,355)</u>	<u>-57.2%</u>
Profit/(Loss) before tax								
-- Fasteners Products	6,572	33,200	(26,628)	-80.2%	49,291	103,926	(54,635)	-52.6%
-- Wire Products	(352)	1,793	(2,145)	-119.6%	2,491	18,507	(16,016)	-86.5%
-- Investment Holding	5	106	(101)	-95.3%	498	(227)	725	319.4%
	<u>6,225</u>	<u>35,099</u>	<u>(28,874)</u>	<u>-82.3%</u>	<u>52,280</u>	<u>122,206</u>	<u>(69,926)</u>	<u>-57.2%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent					(52,280)			
-- Fasteners Products	5,218	26,420	(21,202)	-80.2%	36,946	82,401	(45,455)	-55.2%
-- Wire Products	(62)	1,156	(1,218)	-105.4%	2,099	13,858	(11,759)	-84.9%
-- Investment Holding	(81)	31	(112)	-361.3%	416	(302)	718	237.7%
	<u>5,075</u>	<u>27,607</u>	<u>(22,532)</u>	<u>-81.6%</u>	<u>39,461</u>	<u>95,957</u>	<u>(56,496)</u>	<u>-58.9%</u>

Overall Review of Group' Financial Performance

During the current reporting year, the Group achieved a total revenue and total profit before tax of RM456.45 million and RM52.28 million respectively. Total revenue of the Group declined by 30.6% in the current cumulative period to date. The profit before tax of the Group reduced accordingly to RM52.28 million as compared to RM 122.21 million in the corresponding period in the preceding year reflecting the lower revenue generated.

The equity attributable to the owners of the Company increased to RM680.37 million as at 30.06.2023 as compared to RM665.18 million as at 30.6.2022 after recognition of the profit after tax and declaration of dividend of RM 39.46 million and RM36.67 million respectively. In addition the equity of the Group increased by RM 12.40 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 is higher by RM16.38 million in the current reporting period due to improved debtors collection and reduction in purchase of raw materials. The Group had substantially repaid its bank borrowing amounting to RM32.28 million and paid dividend of RM36.67 million during the current financial year. As at the closing date, the Group has placed RM58.55 million in money market fund for higher interest earning and the bank balance of the Group stood at RM138.43 million which was an increase by RM10.98 million as compared to the corresponding period in the last financial year.

Individual

Fasteners Products

The revenue of the Fasteners Products Division declined by 52.3% to RM77.28 million in the current reporting quarter as compared to the preceding year corresponding period. The division registered a profit before tax of RM6.57 million in the current reporting quarter as compared to RM33.20 million in the preceding year corresponding period. The result of the division in the current reporting quarter reflected the reduced demand for our products in the European market and coupled with the drop in average selling price which had reduced the profit margin of the division. Demand from local market did not resume to pre-pandemic level due to market uncertainties. There was higher other income in the current reporting quarter as the interest earned is higher following the increase of interest rate together with the higher foreign exchange gain recorded.

Wire Products

The revenue of the Wire division in the current reporting quarter is 47.2% lower at RM18.33 million as compared to RM34.75 million recorded in the corresponding quarter preceding year. The drop in revenue resulted in the Wire division reporting a loss before tax of RM0.35 million in the current reporting quarter. 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 456.45 million and a profit before tax of RM52.28 million in the current financial year.

Fasteners Products Division

The division recorded a total revenue of RM345.66 million in the current financial year which represents an decrease of 29.9% as compared to the preceding corresponding financial year. The profit before tax of the division declined by 52.6% to RM49.29 million in the current cumulative quarter. The unfavourable global market sentiment due mainly to the war between Russia and Ukraine, political tension between US and China, high inflation rate in Europe and lower selling price are the main reasons contributing to the weaker performance of the division. The dumping by China of their products to South East Asia after their border reopening had further dampened local market demand. The adverse result of the division is partially cushioned by other income which is higher in the current financial year contributed by higher interest earned.

Wire Products Division

The Wire Products Division revenue decreased by 32.7% to RM110.79 million and recorded a profit before tax of RM2.49 million in the current reporting period to date. The performance of the division is negatively affected by the unfavourable global market conditions during the current financial year.

B2. Variation of Results Against Preceding Quarter

	3 months ended 30.06.23 RM'000	3 months ended 31.03.23 RM'000	Changes	
			RM'000	%
Revenue - Business Segments				
-- Fasteners Products	77,276	64,029	13,247	20.69%
-- Wire Products	18,334	26,175	(7,841)	-29.96%
	<u>95,610</u>	<u>90,204</u>	5,406	5.99%
Profit/(Loss) before interest & tax				
-- Fasteners Products	6,644	(1,522)	8,166	-536.53%
-- Wire Products	(332)	1,584	(1,916)	-120.96%
-- Investment Holding	5	146	(141)	96.58%
	<u>6,317</u>	<u>208</u>	6,109	2937.02%
Profit/(Loss) before tax				
-- Fasteners Products	6,572	(1,500)	8,072	-538.13%
-- Wire Products	(352)	1,508	(1,860)	-123.34%
-- Investment Holding	5	146	(141)	96.58%
	<u>6,225</u>	<u>154</u>	6,071	3942.21%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	5,218	(1,316)	6,534	-496.50%
-- Wire Products	(62)	1,146	(1,208)	-105.41%
-- Investment Holding	(81)	150	(231)	154.00%
	<u>5,075</u>	<u>(20)</u>	5,095	-25475.00%

The Group recorded a total revenue of RM95.61 million and profit before tax of RM6.23 million for the current quarter under review.

Fasteners Products

The demand for DIY products from the European markets showed some improvement in the current reporting quarter which contributed to the better performance of the fasteners division. The division recorded a revenue of RM77.28 million and profit before tax of RM6.57 million in the current quarter which was an increase of 20.69% in its revenue and turn around from a loss before tax of RM1.50 million in the immediate preceding quarter.

Wire Products

The Wire Products Division recorded a lower revenue of RM18.33 million in the current reporting quarter representing a decrease of 29.96% as compared to the RM26.18 million in the immediate preceding quarter. The lack of mega construction project in the local market since last quarter contributed to the poor performance of the Wire division.

B3. Prospects of the next financial Year

The market outlook for the Group in the next financial year is expected to continue to be uncertain. The on-going Ukraine-Russia war, the escalating tension between US-China relations and impending recession in major markets had adversely affected the global economic sentiment which had dampen the global demand for the fasteners product. The performance of the Group is much dependent on the outcome of these external factors which are beyond its control. Nevertheless, the Group had seen signs of improving demand for its DIY products and it is expected to improve further towards the first half of next financial year. The Group expects the major construction projects in Malaysia will restart after the state elections 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 is resilient cautiously optimistic of 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:

	Current quarter RM'000	Current Year To date RM'000
Depreciation	3,690	13,428
Impairment loss charge on receivables	426	375
Interest expense	92	445
Interest income	(3,988)	(5,660)
Gain on disposal of property, plant and equipment	-	(90)
Unrealised loss/(gain) on foreign exchange	(1,997)	(1,748)
Realised gain on foreign exchange	(2,685)	(5,192)
Rental income	(348)	(820)

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 12 months ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
- Current tax	(1,165)	(7,613)	(12,375)	(26,339)
- Deferred tax liabilities	(16)	90	(516)	90
	<u>(1,181)</u>	<u>(7,523)</u>	<u>(12,891)</u>	<u>(26,249)</u>

The Group's effective tax rate for the current financial year is slightly higher than the statutory tax rate mainly due to adjustment for under provision of tax in previous financial year.

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 at 30.06.2023	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	5,427	-	5,427
	<u>5,427</u>	<u>-</u>	<u>5,427</u>
As at 30.06.2022			
Secured:			
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>

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:

	30.06.23 %	30.06.22 %
Borrowings denominated in RM		
- Bankers acceptance	3.35	-
Borrowings denominated in USD		
- Onshore foreign currency loans		0.82
- Short term loans	3.51	1.25

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	29.8.2023	29.8.2022
Entitlement date	24.10.2023	25.10.2022
Payment date	24.11.2023	24.11.2022
Dividend per share	0.71 sen	8.00 sen
Dividend % (Single Tier)	1.42%(single tier)	16.00%(single tier)
Net dividend payable	RM2,034,500	RM22,916,269

b. The total dividend declared for the current financial year ended 30 June 2023 is 5.51 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
	30.06.23	30.06.22	30.06.23	30.06.22
Profit after tax				
Attributable to owners of the Company (RM'000)	5,075	27,607	39,461	95,957
Weighted average number of ordinary shares ('000)	286,452	286,460	286,452	286,460
Basic Earnings Per Share (sen)	1.77	9.64	13.78	33.50

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	1.77	9.64	13.78	33.50
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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.