

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

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.23</b>	<b>30.06.23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	132,571	136,960
Investment properties	67,119	67,164
Right of use assets	2,115	588
Deferred tax assets	-	-
	<u>201,805</u>	<u>204,712</u>
<b>Current assets</b>		
Inventories	254,783	291,732
Trade and other receivables	58,883	59,609
Current tax assets	7,655	7,838
Other investment	82,362	67,154
Cash and bank balances	141,196	129,830
	<u>544,879</u>	<u>556,163</u>
<b>TOTAL ASSETS</b>	<b><u>746,684</u></b>	<b><u>760,875</u></b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	177,929	177,929
Reserves	492,670	502,439
	<u>670,599</u>	<u>680,368</u>
Non-controlling interest	1,960	1,980
Total equity	<u>672,559</u>	<u>682,348</u>
<b>Non-current liabilities</b>		
Lease liabilities	1,873	466
Deferred tax liabilities	8,773	8,985
	<u>10,646</u>	<u>9,451</u>
<b>Current liabilities</b>		
Trade and other payables	59,174	59,916
Contract Liabilities	1,124	1,505
Dividend payable	-	-
Borrowings	2,926	5,427
Lease liabilities	255	124
Provision for Tax	-	2,104
	<u>63,479</u>	<u>69,076</u>
<b>Total liabilities</b>	<u>74,125</u>	<u>78,527</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>746,684</u></b>	<b><u>760,875</u></b>
	-	-
Net assets per share (RM)	2.34	2.38

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 2023. 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 2023 - UNAUDITED**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31.12.23 RM'000	31.12.22 RM'000	31.12.23 RM'000	31.12.22 RM'000
Revenue	83,583	111,459	167,381	270,638
Cost of sales	<u>(79,117)</u>	<u>(92,770)</u>	<u>(155,885)</u>	<u>(213,982)</u>
Gross profit	4,466	18,689	11,496	56,656
Other income	1,027	328	3,098	3,483
Administrative expenses	(5,490)	(5,440)	(10,462)	(9,779)
Selling and distribution expenses	<u>(1,489)</u>	<u>(1,883)</u>	<u>(2,771)</u>	<u>(4,429)</u>
Operating profit	(1,486)	11,694	1,361	45,931
Finance costs	(19)	(164)	(30)	(299)
Finance income	<u>1,917</u>	<u>143</u>	<u>2,447</u>	<u>269</u>
<b>Profit before tax</b>	412	11,673	3,778	45,901
Tax expense	<u>(159)</u>	<u>(3,163)</u>	<u>(949)</u>	<u>(11,518)</u>
<b>Profit for the financial period/year</b>	253	8,510	2,829	34,383
<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>(4,063)</u>	<u>(9,037)</u>	<u>(10,583)</u>	<u>(2,848)</u>
<b>Total comprehensive income for the financial period/year</b>	(3,810)	(527)	(7,754)	31,535
Profit attributable to:				
Owners of the parent	254	8,512	2,849	34,406
Non-controlling interest	<u>(1)</u>	<u>(2)</u>	<u>(20)</u>	<u>(23)</u>
	<u>253</u>	<u>8,510</u>	<u>2,829</u>	<u>34,383</u>
Total comprehensive income attributable to:				
Owners of the parent	(3,809)	(525)	(7,734)	31,558
Non-controlling interest	<u>(1)</u>	<u>(2)</u>	<u>(20)</u>	<u>(23)</u>
	<u>(3,810)</u>	<u>(527)</u>	<u>(7,754)</u>	<u>31,535</u>
<b>Earnings per share attributable to owners of the Company (sen)</b>				
- Basic/Diluted	<u>0.09</u>	<u>2.97</u>	<u>0.99</u>	<u>12.01</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 2023. 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 6 MONTHS PERIOD ENDED 31 DECEMBER 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		
<b>At 1 July 2023</b>	177,929	-	(18,884)	23,744	497,579	680,368	1,980	682,348
Foreign exchange differences on translation	-	-	-	(10,583)	-	(10,583)	-	(10,583)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	2,849	2,849	(20)	2,829
Total comprehensive income for the financial year	-	-	-	(10,583)	2,849	(7,734)	(20)	(7,754)
Transactions with owners:								
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Dividends	-	-	-	-	(2,034)	(2,034)	-	(2,034)
Total transactions with owners	-	-	(1)	-	(2,034)	(2,035)	-	(2,035)
<b>At 31 December 2023</b>	<b>177,929</b>	<b>-</b>	<b>(18,885)</b>	<b>13,161</b>	<b>498,394</b>	<b>670,599</b>	<b>1,960</b>	<b>672,559</b>
<b>At 1 July 2022</b>	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)
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
Transaction 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)
<b>At 31 December 2022</b>	<b>177,929</b>	<b>-</b>	<b>(18,882)</b>	<b>8,494</b>	<b>506,274</b>	<b>673,815</b>	<b>2,029</b>	<b>675,844</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 2023. 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 2023 - UNAUDITED

	31.12.23 RM'000	31.12.22 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	3,778	45,901
Adjustments for:		
Depreciation	6,179	6,466
Gain on disposal of property, plant and equipment	(25)	(90)
Impairment loss reverse on receivables	(166)	(59)
Interest expense	30	299
Interest income	(2,447)	(269)
Fair value (gain)/loss on short term fund investments	(571)	-
Unrealised loss on foreign exchange	853	299
Operating profit before working capital changes	7,631	52,547
(Increase)/Decrease in inventories	32,173	50,303
(Increase)/Decrease in receivables	(1,528)	50,654
Increase/(Decrease) in payables	1,409	(13,611)
Increase/(Decrease) in contract liabilities	(380)	-
Cash from operation	39,305	139,893
Interest received	(30)	(299)
Income tax paid	(3,065)	(18,906)
<b>Net cash from operating activities</b>	36,210	120,688
<b>Cash flows from investing activities</b>		
Interest received	2,447	269
Placement of other investment	(15,208)	-
Proceeds from disposal of property, plant and equipment	25	-
Purchase of property, plant and equipment	(3,609)	(3,474)
<b>Net cash used in investing activities</b>	(16,345)	(3,205)
<b>Cash flows from financing activities</b>		
Dividend paid	(2,034)	(22,917)
Net change in borrowings	(2,501)	(38,147)
Payment of principal portion of lease liabilities	-	(135)
Purchase of treasury shares	(1)	(2)
<b>Net cash used in financing activities</b>	(4,536)	(61,201)
<b>Net increase in cash and bank balances</b>	15,329	56,282
Effect of changes in exchange rate on cash and bank balances	(3,963)	(1,193)
<b>Cash and bank balances at beginning</b>	129,830	127,451
<b>Cash and bank balances at end</b>	141,196	182,540

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 2023. 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 2023 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 2023.

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:

MFRS 17 Insurance Contracts and Amendments to MFRS 17 : Initial application of MFRS 17 and MFRS 9 - Comparative Information  
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies  
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates  
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Initial application for the above amendments/improvements to MFRSs did not have any material impact to the financial statements of the Group and of the Company 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 periods beginning on or after 1 January 2024  
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback  
Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants  
Amendments to MFRS 101 Presentation of Financial Statements: Classification of noncurrent liabilities as current or non-current  
Amendments to MFRS 7 Financial Instruments: Disclosures and MFRS 107 Statement of Cash Flows - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective date yet to be confirmed

Amendments to MFRS 10 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****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 2023 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	1,312
Repurchase of own shares as of 31.12.2023	13,082,800	18,885,235

**A8. Dividend Paid**

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

	Financial period ended 31.12.23 RM
Second interim single tier dividend paid on 24 November 2023 for the financial year ended 30 June 2023 - 0.62 sen per ordinary share	2,033,810
	<u>2,033,810</u>
	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>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**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
<b>6 months ended 31 December 2023</b>					
<b>Revenue</b>					
External revenue	125,408	41,973	-	-	167,381
Inter-segment revenue	-	-	-	-	-
<b>Total revenue</b>	<b>125,408</b>	<b>41,973</b>	<b>-</b>	<b>-</b>	<b>167,381</b>
<b>Results</b>					
Segment profit	6,115	1,426	(1)	-	7,540
Finance costs	(21)	(9)			(30)
Interest income	1,822	285	340		2,447
Depreciation	(4,724)	(1,455)	-	-	(6,179)
<b>Profit before tax</b>	<b>3,192</b>	<b>247</b>	<b>339</b>	<b>-</b>	<b>3,778</b>
<b>Segment assets</b>	<b>521,245</b>	<b>118,312</b>	<b>107,127</b>	<b>-</b>	<b>746,684</b>
<b>Segment liabilities</b>	<b>30,830</b>	<b>10,457</b>	<b>32,838</b>	<b>-</b>	<b>74,125</b>
	Fastener Products RM'000	Wire Products RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
<b>6 months ended 31 December 2022</b>					
<b>Revenue</b>					
External revenue	204,357	66,281	-	-	270,638
Inter-segment revenue	-	-	-	-	-
<b>Total revenue</b>	<b>204,357</b>	<b>66,281</b>	<b>-</b>	<b>-</b>	<b>270,638</b>
<b>Results</b>					
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)
<b>Profit before tax</b>	<b>44,219</b>	<b>1,335</b>	<b>347</b>	<b>-</b>	<b>45,901</b>
<b>Segment assets</b>	<b>557,879</b>	<b>115,759</b>	<b>76,707</b>	<b>-</b>	<b>750,345</b>
<b>Segment liabilities</b>	<b>32,526</b>	<b>9,176</b>	<b>32,799</b>	<b>-</b>	<b>74,501</b>

**(ii) Analysis by geographical segments**

	Revenue 3 months		Non-current Assets*	
	ended 31.12.23 RM'000	ended 31.12.22 RM'000	as at 31.12.23 RM'000	as at 31.12.22 RM'000
Malaysia	49,085	82,550	152,441	152,349
Vietnam	850	897	49,364	52,997
Other Asian countries	13,848	14,416	-	-
European countries	50,906	99,726	-	-
North America	51,649	72,271	-	-
Others	1,043	778	-	-
	<b>167,381</b>	<b>270,638</b>	<b>201,805</b>	<b>205,346</b>

\* 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 2023.

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:  
- Property, plant and equipment

RM'000  
1,568



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	
	31.12.23 RM'000	31.12.22 RM'000	RM'000	%	31.12.23 RM'000	31.12.22 RM'000	RM'000	%
Revenue - Business Segments								
-- Fasteners Products	61,481	76,674	(15,193)	-19.8%	125,408	204,357	(78,949)	-38.6%
-- Wire Products	22,102	34,785	(12,683)	-36.5%	41,973	66,281	(24,308)	-36.7%
	<u>83,583</u>	<u>111,459</u>	<u>(27,876)</u>	<u>-25.0%</u>	<u>167,381</u>	<u>270,638</u>	<u>(103,257)</u>	<u>-38.2%</u>
Profit/(Loss) before interest & tax								
-- Fasteners Products	(304)	11,999	(12,303)	-102.5%	3,213	44,494	(41,281)	-92.8%
-- Wire Products	530	(282)	812	287.9%	256	1,359	(1,103)	-81.2%
-- Investment Holding	205	120	85	70.8%	339	347	(8)	-2.3%
	<u>431</u>	<u>11,837</u>	<u>(11,406)</u>	<u>-96.4%</u>	<u>3,808</u>	<u>46,200</u>	<u>(42,392)</u>	<u>-91.8%</u>
Profit/(Loss) before tax								
-- Fasteners Products	(319)	11,842	(12,161)	-102.7%	3,192	44,219	(41,027)	-92.8%
-- Wire Products	526	(289)	815	282.0%	247	1,335	(1,088)	-81.5%
-- Investment Holding	205	120	85	70.8%	339	347	(8)	-2.3%
	<u>412</u>	<u>11,673</u>	<u>(11,261)</u>	<u>-96.5%</u>	<u>3,778</u>	<u>45,901</u>	<u>(42,123)</u>	<u>-91.8%</u>
Profit/(Loss) after tax attributable to ordinary equity holders of the parent								
-- Fasteners Products	(370)	8,626	(8,996)	-104.3%	2,380	33,044	(30,664)	-92.8%
-- Wire Products	467	(219)	686	-313.2%	188	1,015	(827)	-81.5%
-- Investment Holding	157	105	52	49.5%	281	347	(66)	-19.0%
	<u>254</u>	<u>8,512</u>	<u>(8,258)</u>	<u>-97.0%</u>	<u>2,849</u>	<u>34,406</u>	<u>(31,557)</u>	<u>-91.7%</u>

**Overall Review of Group' Financial Performance**

During the current reporting year, the Group achieved a total revenue and total profit before tax of RM167.38 million and RM3.78 million respectively. Total revenue of the Group declined by 38.2% in the current period to date. The profit before tax of the Group reduced accordingly to RM3.78 million as compared to RM 45.90 million in the corresponding period in the preceding year reflecting the lower revenue generated.

The equity attributable to the owners of the Company decreased to RM670.60 million as at 31.12.2023 as compared to RM680.37 million as at 30.6.2023 after recognition of the profit after tax and declaration of dividend of RM 2.85 million and RM2.03 million respectively. In addition the equity of the Group decreased by RM 10.58 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 lower by RM84.48 million in the current reporting quarter due to lower revenue generated. As at the closing date, the Group has placed RM82.36 million in investment fund to earn higher interest and the bank balance of the Group stood at RM141.20 million which was an increase by RM11.37 million as compared to the last financial year.

**Individual**

**Fasteners Products**

The revenue of the Fasteners Products Division declined by 19.8% to RM61.48 million in the current reporting quarter as compared to the preceding year corresponding period. The division registered a loss before tax of RM0.32 million in the current reporting quarter as compared to profit before tax of RM11.84 million in the preceding year corresponding period. The overall reduction of demand for fasteners products globally in particularly Europe and coupled with the stiff price competition not only impacted the division revenue but also reduced the profit margin of the division.

**Wire Products**

The revenue of the Wire division in the current reporting quarter is 36.5% lower as compared to RM34.79 million recorded in the corresponding quarter preceding year. Despite the drop in revenue, the Wire division managed to achieve a profit before tax of RM0.53 million in the current reporting quarter as compared to a loss before tax of RM0.29 million due to higher fair value gain from short term fund investment and interest compensation by IRB on late payment of tax refund.

**Cumulative Quarter**

The Group recorded a total revenue of RM 167.38 million and a profit before tax of RM3.78 million in the current financial period to date.

**Fasteners Products Division**

The division recorded a total revenue of RM125.41 million in the current financial year which represents a decrease of 38.6% as compared to the preceding corresponding financial year. The profit before tax of the division declined from RM44.22 million to RM3.19 million in the current cumulative quarter. The unfavourable global market sentiment arising from the war between Russia and Ukraine, political tension between US and China, high inflation rate in Europe and stiff price competition are the main factors contributing to the weaker performance of the division.

**Wire Products Division**

The Wire Products Division revenue decreased by 36.7% to RM41.97 million and recorded a lower profit before tax of RM0.25 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	3 months ended	Changes	
	31.12.23	30.09.23	RM'000	%
	RM'000	RM'000		
Revenue - Business Segments				
-- Fasteners Products	61,481	63,927	(2,446)	-3.83%
-- Wire Products	22,102	19,871	2,231	11.23%
	<u>83,583</u>	<u>83,798</u>	(215)	-0.26%
Profit/(Loss) before interest & tax				
-- Fasteners Products	(304)	3,517	(3,821)	-108.64%
-- Wire Products	530	(274)	804	293.43%
-- Investment Holding	205	134	71	52.99%
	<u>431</u>	<u>3,377</u>	(2,946)	-87.24%
Profit/(Loss) before tax				
-- Fasteners Products	(319)	3,511	(3,830)	-109.09%
-- Wire Products	526	(279)	805	288.53%
-- Investment Holding	205	134	71	52.99%
	<u>412</u>	<u>3,366</u>	(2,954)	-87.76%
Profit/(Loss) after tax attributable to ordinary equity holders of the parent				
-- Fasteners Products	(370)	2,750	(3,120)	-113.45%
-- Wire Products	467	(279)	746	267.38%
-- Investment Holding	157	124	33	26.61%
	<u>254</u>	<u>2,595</u>	(2,341)	-90.21%

The Group recorded a total revenue of RM83.58 million and profit before tax of RM0.41 million for the current quarter under review.

**Fasteners Products**

The division recorded a total revenue of RM61.48 million in the current reporting quarter as compared to RM63.93 million in the immediate preceding quarter. However, the stiff price competition and drop of average selling price of the fasteners product has resulted in the division to record a loss before tax of RM0.32 million in the current quarter from a profit before tax of RM3.51 million in the immediate preceding quarter.

**Wire Products**

The Wire Products Division's revenue increased by 11.23% to RM22.10 million in the current reporting quarter. The division had turned around from loss before tax of RM0.28 million to profit before tax of RM0.53 million in the current quarter in line with its higher sales recorded.

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

The market outlook for the Group in the remaining quarters are expected to continue to be uncertain . The outbreak of the Israel-Hamas war, 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 dampened the global demand for 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 expects the major construction projects in Malaysia will restart soon 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, under the current market uncertainties, the Group is resilient and cautiously optimistic 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	3,205	6,179
Reversal of impairment loss charge on receivables	(8)	(166)
Interest expense	19	30
Interest income	(1,917)	(2,447)
Gain on disposal of property, plant and equipment	(25)	(25)
Unrealised loss/(gain) on foreign exchange	1,107	853
Realised gain on foreign exchange	(785)	(2,531)
Rental income	(234)	(468)

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		6 months ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	RM'000	RM'000	RM'000	RM'000
- Current tax	(371)	(2,663)	(1,161)	(11,018)
- Deferred tax liabilities	212	(500)	212	(500)
	<u>(159)</u>	<u>(3,163)</u>	<u>(949)</u>	<u>(11,518)</u>

The Group's effective tax rate for the current financial year is higher than the statutory tax rate mainly due to the loss recorded by certain subsidiary is not tax deductible against the Group's profit.

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 31.12.2023	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	<u>2,926</u>	<u>-</u>	<u>2,926</u>
	<u>2,926</u>	<u>-</u>	<u>2,926</u>
As as 31.12.2022			
Secured:			
Bankers acceptance	-	-	-
Overdraft	-	-	-
Onshore foreign currency loans	-	-	-
Short term loans	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>

a. The Group had substantially settled its bank borrowings therefore, lower interest expenses is recorded in the current quarter.

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

	31.12.23	31.12.22
	%	%
Borrowings denominated in USD		
- Onshore foreign currency loans	-	2.27
- Short term loans	2.84	2.47

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 are per below:

	Corresponding Quarter
Interim dividend for the financial year	30.6.2023
Declared and approved on	28.2.2023
Entitlement date	25.4.2023
Payment date	22.5.2023
Dividend per share	4.80 sen
Dividend % (Single Tier)	9.60%(single tier)
Net dividend payable	RM13,749,714

b. There is no dividend declared for the current financial year ended 30 June 2024 as of the reporting date.

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	
	31.12.23	31.12.22	31.12.23	31.12.22
Profit after tax Attributable to owners of the Company (RM'000)	254	8,512	2,849	34,406
Weighted average number of ordinary shares ('000)	286,450	286,460	286,450	286,460
Basic Earnings Per Share (sen)	0.09	2.97	0.99	12.01

(ii) Diluted Earnings Per Share

Diluted Earnings Per Share (sen)	0.09	2.97	0.99	12.01
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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.