

Ta Win Holdings Berhad

(291592-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

	Note	(Unaudited) Current Quarter 3 months ended		(Unaudited) Cumulative Quarter 15 months ended	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
		RM'000	RM'000	RM'000	RM'000
Revenue	15,16	81,204	92,439	458,807	N/A
Cost of sales		(80,613)	(91,099)	(455,095)	N/A
Gross Profit		591	1,340	3,712	N/A
Other Income		675	108	3,718	N/A
Selling and distribution expenses		(448)	(406)	(2,012)	N/A
Administrative expenses		(3,275)	(772)	(9,012)	N/A
Profit from operation		(2,457)	270	(3,594)	N/A
Finance costs		(858)	(535)	(3,315)	N/A
Loss before tax	15,16	(3,315)	(265)	(6,909)	N/A
Income tax expense		-	-	(200)	N/A
Net loss for the period		(3,315)	(265)	(7,109)	N/A
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		4	27	26	N/A
Revaluations of land and buildings		11,558	-	11,558	N/A
Other comprehensive income for the year		11,562	27	11,584	N/A
Total comprehensive income/(loss) for the period		8,247	(238)	4,475	N/A
Total loss attributable to:					
Equity holders of the parents		(3,273)	(265)	(7,067)	N/A
Non-controlling interests		(42)	-	(42)	N/A
		(3,315)	(265)	(7,109)	N/A
Total comprehensive income attributable to:					
Equity holders of the parents		8,289	(238)	4,517	N/A
Non-controlling interests		(42)	-	(42)	N/A
		8,247	(238)	4,475	N/A
Earning/(loss) per share (sen)					
- Basic		(4.11)	(0.41)	(8.88)	N/A
- Diluted		N/A	N/A	N/A	N/A

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. The current fiscal period will cover 15 months, from 1 January 2018 to 31 March 2019. As such, there are no comparative figures.

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

Ta Win Holdings Berhad

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

	(Unaudited)	(Audited)
	As at end of Current Quarter 31-Mar-19 RM'000	As at Preceding Financial Year End 31-Dec-17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	38,892	20,699
Investment property	-	1,600
	38,892	22,299
Current assets		
Inventories	31,532	31,065
Trade receivables	38,454	58,101
Other receivables, prepayment and deposits	15,626	253
Cash and cash equivalents	23,637	10,970
	109,249	100,389
TOTAL ASSETS	148,141	122,688
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	60,427	47,105
Trade payables	36	426
Other payables	2,664	5,368
Hire purchase payables	118	67
Derivative liability	622	-
	63,867	52,966
Non-current liabilities		
Deferred tax liabilities	2,421	2,422
Hire purchase payables	332	13
	2,753	2,435
Total liabilities	66,620	55,401
Other comprehensive income for the year	81,521	67,287
Total comprehensive income for the period		
Share capital	73,393	66,084
Total loss attributable to:		
<i>Foreign exchange reserves</i>	(373)	(399)
<i>Revaluation reserves</i>	15,878	4,320
<i>Accumulated losses</i>	(9,785)	(2,718)
Equity attributable to equity holders of the Company	79,113	67,287
Non-controlling interest	2,408	-
Total equity	81,521	67,287
TOTAL EQUITY AND LIABILITIES	148,141	122,688
Net asset per share (sen)	1.02	1.05

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

	←————— Attributable to Equity Holders of the Parents —————→					—————→	Non- controlling interest	Total equity	
	Share capital	Non-Distributable		Exchange reserve	Accumulated losses				Total
		Share premium	Revaluation reserve						
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
15 months ended									
<u>Balance at 31 March 2019</u>									
Balance at 1 January 2018	66,084	-	4,320	(399)	(2,718)	67,287	-	67,287	
ESOS	4,002	-	-	-	-	4,002	-	4,002	
Issuance of shares	3,307	-	-	-	-	3,307	-	3,307	
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	2,450	2,450	
Total comprehensive profit	-	-	11,558	26	(7,067)	4,517	(42)	4,475	
Balance at 31 March 2019	<u>73,393</u>	<u>-</u>	<u>15,878</u>	<u>(373)</u>	<u>(9,785)</u>	<u>79,113</u>	<u>2,408</u>	<u>81,521</u>	
12 months ended									
<u>Balance at 31 December 2017</u>									
Balance at 1 January 2017	64,286	1,798	4,320	(448)	(5,468)	64,488	-	64,488	
Adjustment for effects of Companies Act 2016 *	1,798	(1,798)	-	-	-	-	-	-	
Total comprehensive income	-	-	-	49	2,750	2,799	-	2,799	
Balance at 31 December 2017	<u>66,084</u>	<u>-</u>	<u>4,320</u>	<u>(399)</u>	<u>(2,718)</u>	<u>67,287</u>	<u>-</u>	<u>67,287</u>	

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. The current fiscal period will cover 15 months, from 1 January 2018 to 31 March 2019. As such, there are no comparative figures.

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

	(Unaudited) 15 months ended 31-Mar-19 RM'000	(Audited) 12 months ended 31-Dec-17 RM'000
Operating activities		
(Loss)/profit before tax	(6,909)	3,684
Adjustments for :		
Depreciation of property, plant and equipment	938	816
Interest expense	3,315	2,208
Fair value loss on derivative liability	843	-
Unrealised foreign exchange loss/(gain)	319	(898)
Interest income	(50)	(16)
Gain on disposal of investment property	(300)	-
Gain on fair value adjustment of investment property	-	(100)
Gain on disposal of property, plant and equipment	-	(23)
Operating cash flows before changes in working capital	<u>(1,844)</u>	<u>5,671</u>
Changes in working capital		
Decrease/(increase) in receivables	6,401	(20,875)
(Increase)/decrease in inventories	(467)	24,439
(Decrease)/increase in payables	(3,842)	3,513
Cash flows from operations	<u>248</u>	<u>12,748</u>
Income taxes paid	(200)	(246)
Interest paid	(3,315)	(2,208)
Interest received	50	16
Net cash flows (used in)/from operating activities	<u>(3,217)</u>	<u>10,310</u>
Investing activities		
Purchase of property, plant and equipment	(7,573)	(5,771)
Proceeds from disposal of property plant and equipment	-	23
Placement of deposit pledged with bank	(5,892)	(110)
Net cash flows used in investing activities	<u>(13,465)</u>	<u>(5,858)</u>
Financing activities		
Repayment of loans and borrowings	(15,405)	(8,800)
Drawdown of trade facilities	28,727	-
Repayment of hire purchase financing	(130)	(68)
Drawdown of hire purchase financing	500	-
Proceeds from issuance of shares	9,759	-
Net cash flows from/(used in) financing activities	<u>23,451</u>	<u>(8,868)</u>
Net increase/(decrease) in cash and cash equivalents	<u>6,769</u>	<u>(4,416)</u>
At beginning of financial period	<u>6,857</u>	<u>11,264</u>
Effects of exchange rate changes	<u>6</u>	<u>9</u>
At end of financial year	<u>13,632</u>	<u>6,857</u>
Cash and bank balances	<u>13,632</u>	<u>6,857</u>
Deposit pledged with banks	<u>10,005</u>	<u>4,113</u>
Net cash and cash equivalents	<u>23,637</u>	<u>10,970</u>

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. The current fiscal period will cover 15 months, from 1 January 2018 to 31 March 2019. As such, there are no comparative figures.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 : Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

On 30 November 2018, the Company announced that the Board of Directors approved the change of financial year end from 31 December to 30 June. The next audited financial statements of the Company shall be for a period of eighteen (18) months, made up from 1 January 2018 to 30 June 2019. Thereafter, the subsequent financial years of the Company shall end on 30 June.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017 except for the adoption of the following MFRSs, Amendments to MFRSs, Issues Committee Interpretations ("IC Interpretations") and Statement of Principles.

Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 12	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Investment Property – Transfers of Investment Property

The adoption of the above pronouncements did not have any impact on the financial statements of the Group

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs have been issued but are not yet effective, and have yet to be adopted by the Group:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 2, Share-based Payment	1 January 2020
Amendments to MFRS 3, Business Combinations	1 January 2020
Amendments to MFRS 3, Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 9, Prepayment Features with Negative Compensation	1 January 2020
Amendments to MFRS 11, Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 16, Leases	1 January 2019
Amendments to MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
Amendments to MFRS 112, Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 119, Plan Amendment, Curtailment, or Settlement	1 January 2019
Amendments to MFRS 123, Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 128, Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020

3. Audit Qualification of Preceding Annual Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2017 was not qualified.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

4. Comments About Seasonal or Cyclical Factors

The sales of copper wire and rods are not subject to significant cyclical or seasonal factors, other than mild slowdowns due to holidays, especially during festival holiday season.

5. Unusual Items Due to their Nature, Size or Incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows of the Group that are unusual because of their nature, size or incidence.

6. Changes in Estimates

There were no significant changes in estimates that had a material effect in the current quarter.

7. Debt and Equity Securities

There were no material issuances, repayments of debt or equity securities, or share cancellation in the current interim period under review. The Company has not implemented any share buy back scheme and it does not hold any shares as treasury shares during the current financial year.

8. Dividend Paid

No dividend was paid in the current financial year under review.

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment had been brought forward without amendment from the financial statements for the year ended 31 December 2017, except for the followings:

A revaluation exercise was carried out by the Group on land and buildings classified as property, plant and equipment. The revaluation resulted in a revaluation surplus, net of deferred tax, of RM11.56 million being incorporated into revaluation reserve. The valuations were conducted by an independent valuer, Henry Butcher Malaysia (Malacca) Sdn Bhd.

10. Segmental Reporting

Segment information for the fifteen months ended 31 March 2019 is as follows:-

	Malaysia RM'000	Hong Kong RM'000	Elimination RM'000	Total RM'000 31-Mar-19
Revenue				
External sales	458,807	-	-	458,807
Inter-segment sales	-	-	-	-
Total revenue	<u>458,807</u>	<u>-</u>	<u>-</u>	<u>458,807</u>
Results				
Operating loss	(3,544)	(50)	-	(3,594)
Finance costs	<u>(3,315)</u>	<u>-</u>	<u>-</u>	<u>(3,315)</u>
Loss before tax	(6,859)	(50)	-	(6,909)
Income tax expenses	<u>(200)</u>	<u>-</u>	<u>-</u>	<u>(200)</u>
Loss for the period	<u>(7,059)</u>	<u>(50)</u>	<u>-</u>	<u>(7,109)</u>
Assets				
Segment assets	148,122	19	-	148,141
Liabilities				
Segment liabilities	66,610	10	-	66,620

11. Subsequent Event

There were no material events that occurred subsequent to the end of the current quarter ended 31 March 2019 until the date of this report, except for the disclosure made in note 12 (c).

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

12. Changes in Composition of the Group

- a) On 10 October 2018, the Company entered into a Joint Venture Agreement with Full Dragon Electric (Guang Dong) Company Limited ("FULL DRAGON") and Wing Ying Non-Ferrous Trading Limited (collectively known as "the Parties"), to jointly invest in, setup, and operate a new copper rod manufacturing line in Malaysia via Ta Win Copper Sdn Bhd ("TWCSB").

On 12 February 2019, the Board of Directors announced that the Parties agreed to amend and verify the definition of "FULL DRAGON" to "FULL DRAGON or its nominee" which shall include Hong Kong Full Dragon Technology Development Limited. TWCSB's shares have been allotted to the Parties and TWCSB is no longer a wholly-owned subsidiary of the Company. The composition of shareholdings of TWCSB after the allotments was as follows:-

No.	Name of Allottees	Shareholdings
1	Ta Win Holdings Berhad	4,550,000 (65%)
2	Wing Ying Non-Ferrous Trading Limited	1,750,000 (25%)
3	Hong Kong Full Dragon Technology Development Limited	700,000 (10%)
	Total	7,000,000 (100%)

- b) On 31 January 2019, the Company has incorporated a new wholly-owned subsidiary, namely Cyprium Capital Sdn Bhd with an issued and paid-up share capital of RM1.00.
- c) On 11 April 2019, Cyprium Capital Sdn Bhd, a wholly-owned subsidiary of Ta Win Holdings Berhad, had on 11 April 2019 entered into a Joint Venture cum Shareholders Agreement with Justin Wong Chee Feng, Wong Ah Piaw and Latitude Technology Sdn Bhd, to jointly invest in, setup, and operate a new cable manufacturing business utilising the electron beam irradiation technology in Malaysia via a special purpose vehicle to be incorporated later, namely Cyprium Wire Technology Sdn Bhd.
- d) On 15 April 2019, Cyprium Capital Sdn Bhd, a wholly-owned subsidiary of TA WIN, has incorporated a new wholly-owned subsidiary, namely Cyprium Wire Technology Sdn Bhd with an issued and paid-up share capital of RM1.00.

Save as disclosed above, there are no other changes in the composition of the Group.

13. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2017.

14. Capital Commitments

Capital commitments of the Group in respect of capital expenditure is as follows:

	As at 31-Mar-19 RM'000
Approved and contracted for	
Share of joint venture's capital commitments	<u>2,577</u>

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

15. Performance Analysis

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. The current fiscal period will cover 15 months, from 1 January 2018 to 31 March 2019. As such, there are no comparative figures.

Segment	3 months ended	
	31-Mar-19	31-Mar-18
	RM'000	RM'000
Malaysia		
Revenue	81,204	92,439
Gross Profit	591	1,340
Loss before tax	(3,314)	(230)
Hong Kong		
Revenue	-	-
Gross Profit	-	-
Loss before tax	(1)	(35)
Group Total		
Revenue	81,204	92,439
Gross Profit	591	1,340
Loss before tax	(3,315)	(265)

For the 3 months ended 31 March 2019, the Group recorded a lower revenue of RM81.20 million as compared to RM92.44 million in the same corresponding quarter ended 31 March 2018. The lower revenue is mainly due to discontinuation of an unprofitable product line.

The Group recorded lower gross profit of RM591 thousand as compared to RM1.34 million in the same corresponding quarter ended 31 March 2018. This was mainly due to a drop in sales volume.

The Group registered loss before tax of RM3.32 million in the current quarter as compared to the loss before tax of RM265 thousand in the same corresponding quarter ended 31 March 2018. The Group recorded a higher loss primarily due to higher administrative expenses incurred, which resulted from the fair value loss on derivate liability and the expenses incurred from the Group's on-going corporate exercise, both of which are non-recurring items.

16. Comparison with immediate Preceding Quarter's results

Segment	3 months ended	
	31-Mar-19	31-Dec-18
	RM'000	RM'000
Malaysia		
Revenue	81,204	94,003
Gross profit/(loss)	591	(811)
Loss before tax	(3,314)	(2,174)
Hong Kong		
Revenue	-	-
Gross profit	-	-
Loss before tax	(1)	(1)
Group Total		
Revenue	81,204	94,003
Gross profit/(loss)	591	(811)
Loss before tax	(3,315)	(2,175)

For the fifth quarter under review, the Group's revenue is recorded at RM81.20 million as compared to RM94.00 million in the preceding quarter. The decrease of revenue was mainly due to lower sales volume related to a seasonal market slowdown.

The Group recorded a higher gross profit of RM591 thousand as compared to gross loss of RM811 thousand in the previous quarter. The higher gross profit was mainly due to change in product mix, whereby the Group focused on finer wire products, which commend higher margins.

The Group registered a loss before tax of RM3.32 million during the fifth quarter as compared to loss before tax of RM2.18 million in the previous quarter. Increase in loss before tax was mainly due to decrease in sales volume and higher administrative expenses incurred as a result of the fair value loss on derivative liability and the Group's on-going corporate exercise.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

17. Commentary on Prospects

Management is in the process of securing additional trade lines in order to facilitate planned increases in production and sales volume, while at the same time securing additional orders from existing and new customers. In addition, management is reviewing alternatives to expand production capacity organically as well as inorganically. These initiatives are expected to result in substantial increases in sales and profitability in the quarters to come.

The Joint Venture Agreement with Full Dragon and Wing Ying that was announced in October 2018 is expected to be in operation by final quarter of financial year ended 30 June 2019. By leveraging the operational know-how and the sales channels of the joint venture partners, the Group will expand its production capacity, sales volume as well as margins.

The joint venture with Justin Wong Chee Feng, Wong Ah Piaw and Latitude Technology Sdn Bhd via Cyprium Wire Technology Sdn Bhd, that was announced in April 2019 marks the Group's first foray into the cable industry, a downstream venture in the value chain. It will use innovative electron beam irradiation technology and it is part of the Company's strategy to capitalise on new and viable opportunities complementing its existing business to drive growth. This joint venture is expected to be operational as of second quarter of financial year ended 30 June 2020.

18. Profit Forecast or Profit Guarantee

There was neither a profit forecast nor a profit guarantee issued by the Company for the current quarter ending 31 March 2019.

19. Income Tax Expense

	3 months ended		15 months
	31-Mar-19	31-Mar-18	ended 31-Mar-19
	RM'000	RM'000	RM'000
Tax expenses			
Income tax	-	640	200
Deferred tax	-	298	-
Total tax expenses charges in current period	<u>-</u>	<u>938</u>	<u>200</u>

20. Status of Corporate Proposals

On 11 January 2019, Mercury Securities Sdn Bhd, on behalf of the Board of Directors, has announced that the Company proposes to undertake the following:

- (i) proposed renounceable rights issue of 238,841,790 new ordinary shares ("Ta Win Share") and 477,683,580 irredeemable convertible preference shares ("ICPS") together with 159,277,860 free detachable warrants ("Warrants") on the basis of 3 Rights Shares and 6 ICPS together with 2 Warrants for every 1 existing Ta Win Share held on an entitlement date to be determined later at the issue price of RM0.10 per Rights Share and RM0.025 per ICPS ("Proposed Rights Issue"); and
- (ii) proposed amendments to the Company's Constitution to facilitate the issuance of the ICPS. ("Proposed Amendments")

On 18 January 2019, Mercury Securities Sdn Bhd, on behalf of the Board of Directors, has announced the listing application in relation to the Proposed Rights Issue has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities").

On 21 February 2019, Mercury Securities Sdn Bhd, on behalf of the Board of Directors, has announced Bursa Securities had, vide its letter dated 21 February 2019, resolved to approve the following:

- (i) admission to the Official List and listing of 477,683,580 ICPS and 159,227,860 Warrants to be issued pursuant to the Proposed Rights Issue;
- (ii) listing of 238,841,790 new Ta Win Shares to be issued pursuant to the Proposed Rights Issue;
- (iii) listing of up to 477,683,580 new Ta Win Shares to be issued pursuant to the conversion of ICPS; and
- (iv) listing of up to 159,227,860 new Ta Win Shares to be issued arising from the exercise of Warrants,

whereby the Rights Shares, ICPS and Warrants must be listed and quoted simultaneously.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

20. Status of Corporate Proposals (continued)

On 26 March 2019, the Company held an Extraordinary General Meeting and all resolutions related to the Proposed Rights Issue and Proposed Amendments were duly passed by the shareholders of the Company.

Except the above-mentioned, there were no other corporate proposals announced but not completed as at date of this report.

22. Borrowings and Debts Securities

	As at 31-Mar-19 RM'000	As at 31-Mar-18 RM'000
Short term borrowings		
Secured	60,427	31,232
Unsecured	-	4,836
	<u>60,427</u>	<u>36,068</u>

23. Derivative Financial Instruments

(i) Disclosure of derivative liability

As at 31 March 2019, the Group has the following derivative financial instrument:

Type of derivative	Contract value RM'000	Fair value RM'000	Fair value loss RM'000
Commodity swap contract - less than 1 year	<u>9,880</u>	<u>10,502</u>	<u>622</u>

Commodity swap contract is used to mitigate copper commodity price risk arising from volatile market prices. There are no cash requirement risks as the Group only uses commodity swap contract as hedging instrument.

There have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's management objectives, accounting policies and processes.

(ii) Fair value changes of derivative liability

The Group determines the gains or losses from fair value changes of the derivative financial instruments (commodity swap contracts) by using the difference between the contracted value and market price.

24. Changes in Material Litigation

There was no material litigation pending as at the date of this announcement.

25. Dividend

No dividend was recommended for the current financial year under review.

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NOTES TO INTERIM FINANCIAL REPORT FOR THE FIFTH QUARTER ENDED 31 MARCH 2019

26. Loss before tax

The following items have included in the statement of comprehensive income in arriving at loss before tax:

	Cumulative Qtr 15 months ended 31-Mar-19 RM'000
Interest income	50
Rental income	111
Gain on disposal of investment property	300
Realised Foreign exchange gain	2,553
Interest expenses	(3,315)
Depreciation and amortization	(938)
Unrealised Foreign exchange loss	(47)
Fair value loss on derivative liability	(843)

27. Earnings Per Share ("EPS")

a) Basic EPS

Basic EPS is calculated by dividing the net (loss)/profit for the period by the weighted average number of ordinary issue shares in during the period.

On 30 November 2018, the Company announced the change of financial year end from 31 December to 30 June. The current fiscal period will cover 15 months, from 1 January 2018 to 31 March 2019. As such, there are no comparative figures.

	3 months ended 31-Mar-19	15 months ended 31-Mar-19
Loss for the year attributable to equity holders of the parent (RM'000)	(3,273)	(7,067)
Weighted average number of ordinary shares in issue ('000)	79,614	79,614
Basic EPS (sen)	<u>(4.11)</u>	<u>(8.88)</u>

b) Diluted EPS

The diluted EPS per share is not calculated as there is no dilutive effect for the shares.

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2019.