

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysia Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The notes to the condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the financial year ended ("**FYE**") 30 June 2022.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited consolidated financial statements for the FYE 30 June 2022 except for standards effective for financial periods beginning on or after 1 January 2022.

The standards that are issued but not yet effective up to the date of authorisation of these financial statements are disclosed below. These standards are not expected to significantly impact the financial statements in the period of initial application.

	Effective for annual periods beginning on or after
Amendment to MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendment to Illustrative Example accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendment to MFRS 116, Property, Plant and Equipment - Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendment to MFRS 137, Provision, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendment to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 - 2020)	1 January 2022
Amendments to MFRS 17, Insurance Contracts and Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendment to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
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	To be confirmed

3. Auditors' report

There was no qualified audit report issued by the auditors in the annual financial statements for the FYE 30 June 2022.

4. Seasonal or cyclical factors

Ta Win and its group of companies' ("**Group**") operations are not materially affected by any seasonal or cyclical factors.

5. Exceptional items

There were no exceptional items during the quarter under review.

6. Material changes in estimates used

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the FYE 30 June 2022 that may have a material effect on the current quarter results.

7. Debt and equity securities

The Group did not undertake any issuance and / or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended ("FPE") 30 September 2022 except as follows: -

During the FPE 30 September 2022, the Company's issued share capital increased from RM297,859,733 comprising 3,422,193,725 ordinary shares in Ta Win Holdings Berhad ("Ta Win" or the "Company") ("Ta Win Shares" or "Shares") to RM298,051,945 comprising 3,423,875,238 Shares as a result of the following: -

- (i) conversion of 480,000 irredeemable convertible preference shares in Ta Win ("ICPS") into 480,000 new Shares at the conversion price of RM0.05 by a combination of surrendering 1 ICPS and paying the difference between the issue price of the ICPS surrendered and the conversion price in cash (i.e., RM0.025) for 1 new Share.
- (ii) conversion of 1,201,513 warrant A in Ta Win ("WA") into 1,201,513 new Shares at the conversion price of RM0.10.

8. Dividend

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

9. Carrying amount of revalued assets

The Group has not carried out any valuation on its property, plant and equipment in the current financial period under review.

10. Operating segments

Operating segment information for the FPE 30 September 2022 is as follows: -

	Copper product	Cable and wire	Wire harness and power code	Warehousing and logistic	Other	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	160,165	5,015	16,035	1,651	262	183,128
Segment results						
Operating loss	(3,243)	(731)	(316)	(37)	(1,760)	(6,087)
Finance costs	(958)	(65)	(67)	(36)	(11)	(1,137)
Profit/(loss) before tax	(4,201)	(796)	(383)	(73)	(1,771)	(7,224)

11. Material events subsequent to the end of the current financial period

In the opinion of the Directors of Ta Win, there are no items, transactions or events of a material and unusual nature that have arisen since FYE 30 June 2022 to the date of this announcement which would substantially affect the financial results of the Group for the FPE 30 September 2022 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the Group

Saved as disclosed in Section 11 above, there were no significant changed in the composition of the Group including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operation for the current period.

13. Capital commitments

The capital commitments of the Group as at the end of the quarter under review were as follows: -

	As at 30 Sep 2022
	RM'000
Approved and contracted for: -	
Purchase of property, plant and equipment	1,972

14. Income tax

	Individual quarter ended 30 Sep		Cumulative quarter ended 30 Sep	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current period	-	105	-	105

15. Status of corporate proposals announced but not completed as at the date of this announcement

Save as disclosed below, there is no corporate proposal announced by Ta Win but not completed as at the date of this announcement: -

- (i) On 14 September 2020, Mercury Securities Sdn. Bhd. had, on behalf of the Board of Directors of Ta Win ("**Board**"), announced that Ta Win proposed to diversify the Group's principal activities to include the undertakings to design, develop, financing, build to operate, sell and market an industrial park to be named as the "**Terengganu Ecocycle Park**" to be constructed on a piece of leasehold industrial land located at Kawasan Lembah Perasing, Mukim Hulu Jabor, Daerah Kemaman, Terengganu Darul Iman measuring approximately 500 acres as well as other related activities in conjunction with the joint venture agreement dated 29 July 2020 ("**JVA**") entered between Ta Win and Perbadanan Memajukan Iktisad Negeri Terengganu ("**PMINT**") ("**Proposed Diversification**").

On 29 December 2020, Ta Win announced that Ta Win and PMINT are in the midst of discussion to enter into a supplemental agreement to vary certain terms of the JVA ("**Supplemental JVA**"). Given the extended time required for Ta Win and PMINT to enter into the Supplemental JVA, Mercury Securities Sdn Bhd had, on behalf of the Board, announced that the Board had on even date resolved to seek Ta Win's shareholders' approval for the Proposed Diversification on a later date, i.e., after Ta Win and PMINT have entered into the Supplemental JVA.

On 11 February 2021, Ta Win had entered into a supplemental JVA with PMINT to amend certain provision of the JVA and insert new clauses in the JVA.

Ta Win shall seek shareholders' approval for the Proposed Diversification when the development of the Terengganu Ecocycle Park is expected to result in either: -

- (a) the diversification of 25% or more of the net assets of the Company; or
- (b) the contribution from such an operation of 25% or more of the net profits of the Company.

16. Status of corporate proposals announced but not completed as at the date of this announcement (Cont'd)

- (i) On 14 September 2020, Mercury Securities Sdn Bhd had, on behalf of the Board, announced that Ta Win proposed to undertake the renounceable rights issue of up to 3,106,101,171 Shares ("**Rights Shares**") at an issue price of RM0.06 per Rights Share on the basis of 3 Rights Shares for every 1 existing Ta Win Share held on 6 May 2021 ("**Rights Issue**"). On 2 February 2021, Bursa Malaysia Securities Berhad had vide its letter dated 2 February 2021 approved the listing of and quotation for the securities to be issued under the Rights Issue. On 23 February 2021, Ta Win's shareholders have approved the Rights Issue at the Company's extraordinary general meeting. The Rights Issue has been completed on 9 June 2021 following the listing of and quotation for 2,556,501,561 Rights Shares.

Ta Win has successfully raised RM153,390,093.66 from the Rights Issue and the status of the utilisation of proceeds as at 30 September 2022 is as follows: -

Purpose	Approved utilisation	Actual utilisation	Balance	Estimated timeframe from receipt of proceeds
	RM'million	RM'million	RM'million	
Working capital	64.0	(43.1)	20.9	Within 24 months
Repayment of bank borrowings	40.3	(40.3)	-	Within 12 months
Purchase of machineries and equipment	35.1	(16.9)	18.2	Within 24 months
Investment in Sin Line Tek	12.7	(12.7)	-	Within 1 month
Estimated expenses	1.3	(1.3)	-	Within 1 month
	153.4	(114.3)	39.1	

On 1 March 2022, Bursa Securities had granted extension of time until 16 September 2022 to implement the Private Placement. On 13 September 2022, Bursa Securities granted a further extension of time until 16 March 2022 to implement the Private Placement.

- (ii) On 16 June 2022 ("Agreement Date"), Ta Win via its wholly owned subsidiary Ta Win Copper Biohealth Sdn Bhd ("TWCB") entered into a Share Sale Agreement with Poly Laboratories Sdn Bhd and Jelita Serbaneka Sdn Bhd for the disposal of 3,897,197 ordinary shares of the issued share capital of Royce Pharma Manufacturing Sdn Bhd ("Royce Pharma") ("Proposed Disposal") for a total disposal consideration of RM20,850,000. The Proposed Disposal is expected to complete by 180 days from the Agreement Date.

Upon completion of the Proposed Disposal, the Company via TWCB continues to account for investment in Royce Pharma as an associate company via its 1,078,167 preference shares in Royce Pharma.

17. Borrowings and debt securities

Details of the Group's borrowings and debt securities as at 30 September 2022 are as follows: -

	As at 30 Sep 2022	As at 30 Sep 2021
	RM'000	RM'000
Secured Short-Term Borrowings: -		
Trade finance	84,301	53,393
Lease payables	2,857	1,209
Term Loan	2,264	498
	89,522	55,100
Secured Long-Term Borrowings: -		
Term Loan	23,758	2,892
Lease payables	6,730	3,354
	30,488	6,379
	120,010	86,458

(i) Fair value hierarchy Disclosure of derivative liability

As at 30 September 2022, the Group has the following derivative financial instrument: -

	Contract value	Fair value
	RM'000	RM'000
Commodity Swap		
Less than 1 year	6,631	7,087

Commodity swap 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.

There were no transfers between any levels of the fair value hierarchy during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

18. Material litigation

Saved as disclosed in Section 19 below, there are no material litigations as at the date of this announcement.

19. Contingent liabilities

Save for the following, there are no other material changes in contingent assets or contingent liabilities for the FPE 30 June 2022: -

- Pursuant to the notice of demand dated 3 June 2022 from RMCD Kelantan, on the advice of the solicitors, the BOD agreed to pay to RMCD Kelantan the RM 3,182,215.95 by way of post-dated cheques on a basis of 36 months instalments on a without prejudice basis as the solicitors had filed an appeal on 29 April 2022 to the DG of Customs Malaysia under Section 143 of the Customs Act 1967 and had yet to receive any response from the DG Customs. The said post-dated cheques was handed over to RMCD Kelantan on 9 November 2022.

The solicitors could not provide their opinion on the probable outcome of the Claims by Customs Kelantan until they received a reply from DG Customs of Malaysia on the status of our appeal under Section 143 Customs Act 1967. Accordingly, notwithstanding the above, TWI had made provision for the estimated maximum liability of RM3,182,215.95 in its financial statements for the FYE 30 June 2022.

20. Detailed analysis of the performance between the current quarter and the immediately preceding quarter

	Current quarter 30 Sep 2022	Immediate preceding quarter 30 Jun 2022	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue				
Copper product	160,165	138,140	22,025	15.9%
Cable and wire	5,015	1,925	3,090	160.5%
Wire harness and power code	16,035	16,578	(543)	-3.3%
Warehousing and logistic	1,651	1,520	131	8.6%
Others	262	338	(76)	-22.5%
	183,128	158,501	24,627	15.5%
Loss before tax				
Copper product	(4,201)	(1,844)	(2,357)	127.8%
Cable and wire	(796)	(7,387)	6,591	-89.2%
Wire harness and power code	(383)	(127)	(256)	201.6%
Warehousing and logistic	(73)	91	(164)	-180.2%
Others	(1,771)	(1,452)	(319)	22.0%
	(7,224)	(10,719)	3,495	-32.6%

Revenue for the current quarter under review had increased by approximately RM24.6 million or 15.5% compared to the immediately preceding quarter.

Detailed analysis of the performance for the current quarter and same quarter in last year

	Individual quarter ended 30 Sep				Cumulative quarter ended 30 Sep			
	2022	2021	Variance	Variance	2022	2021	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
Copper product	160,165	52,254	107,911	206.5%	160,165	52,254	107,911	206.5%
Cable and wire	5,015	1,609	3,406	211.7%	5,015	1,609	3,406	211.7%
Wire harness and power code	16,035	12,402	3,633	29.3%	16,035	12,402	3,633	29.3%
Warehousing and logistic	1,651	23	1,628	7078.3%	1,651	23	1,628	7078.3%
Others	262	529	(267)	-50.5%	262	529	(267)	-50.5%
	183,128	66,817	116,311	174.1%	183,128	66,817	116,311	174.1%

Profit/(Loss) before tax								
Copper product	(4,201)	(1,838)	(2,363)	128.6%	(4,201)	(1,838)	(2,363)	128.6%
Cable and wire	(796)	(909)	113	-12.4%	(796)	(909)	113	-12.4%
Wire harness and power code	(383)	417	(800)	-191.8%	(383)	417	(800)	-191.8%
Warehousing and logistic	(73)	(15)	(58)	386.7%	(73)	(15)	(58)	386.7%
Others	(1,771)	(1,387)	(384)	27.7%	(1,771)	(1,387)	(384)	27.7%
	(7,224)	(3,732)	(3,492)	93.6%	(7,224)	(3,732)	(3,492)	93.6%

In the FPE 30 September 2022, the Group's revenue increase by approximately RM116.3 million from the previous financial year corresponding quarter to approximately RM183.1 million. The higher revenue recorded in the copper product segment was mainly due to continue growth in sales volume from one of the major subsidiary TWI.

The Group recorded a loss before tax of approximately RM7.2 million in the FPE 30 September 2022 as compared to the corresponding quarter, FPE 30 September 2021 loss of RM3.7 million.

21. Commentary on prospects

Malaysian economy in the services and manufacturing sectors continues to drive growth performance by 5.4% in the third quarter and towards the end of the year 2022. A slower-than-expected growth in the early of 2023 is foreseen to happen due to the inflationary pressure, commodity price volatility, prolonged geopolitical conflicts, supply strains & also the tightening of liquidity in the financial markets.

Ta Win Group maintains focused in driving its business through the global economic challenges in 2023 through agile business strategies. The Group is currently focusing on strengthening customer relationship, increasing both capacity and production in all facilities in anticipation of stronger demands for its copper products, signal and power wire and cables once business sentiment improves. The major areas of focus for Ta Win are as follows: -

1) Ta Win Industries (M) Sdn. Bhd. has completed the purchase of its new copper rod and wire manufacturing plant in Pulau Indah in May 2022 and received Certificate of Completion and Compliance (CCC) in July 2022. The new plant is currently in the phase of setting up and installation of new furnace and continues casting & rolling machine (CCR). The commercial trial run of the new machine is scheduled to begin in December 2022. The company has also targeted to commence the commercial operation in the early 2023. Ta Win Industries (M) Sdn. Bhd. has completed the construction of its new copper rod and wire manufacturing plant in Pulau Indah in May 2022. The plant had received CCC certificate in July 2022. The new plant is currently in the phase of setting up and installation of machinery and equipment. The commercial trial run is scheduled to begin in December 2022. The company has also targeted to commence the commercial operation in the early 2023.

2) Cyprium Wire Technology Sdn. Bhd. has completed the construction of its new electron-beam irradiation plant in Alor Gajah, Melaka. The new plant has received all licenses and regulatory approvals granted by the Department of Atomic Energy Malaysia (AEM) in October 2022. Currently the plant is in the midst of a commercial trial run and simultaneously applying the relevant selling licenses. The company has also targeted to commence the commercial production in the early 2023.

3) Sin Line Tek Electronic Co. Sdn. Bhd. continues to enhance its capacity and R&D activities to offer more new products to customers in the electrical and electronic sectors. The company is also looking at expanding the business through investment plans for the year 2023.

The Group is also continuing its initiatives to further improve operational efficiencies including pre-planned stock buffers, raw material sourcing and inventory management system to mitigate any uncertainties and risks. Cost management and optimization is one of the aspects that the Group continuously focus on to enhance profitability.

Moving forward, the Group foresees the prolonging of on-going Russian-Ukraine War, disruption in global supply chain, inflation, rising interest rates, copper price fluctuations to put pressure on operating costs. The Group remains positive and optimistic to successfully maneuver the business challenges and to emerge stronger.

22. Profit forecast

Not applicable as the Group does not publish any profit forecast.

23. Earnings per share (“EPS”)

	Individual quarter ended 30 Sep		Cumulative quarter ended 30 Sep	
	2022	2021	2022	2021
Loss for the period attributable to equity holders of the parent ('000)	(6,375)	(3,276)	(6,375)	(3,276)
Weighted average number of shares for basis earning per share calculation ('000)	3,423,875	3,412,616	3,423,875	3,412,616
Basic loss per share (sen)	(0.0019)	(0.10)	(0.0019)	(0.10)
Diluted earnings / (loss) per share (sen)	Anti-dilutive	Anti-dilutive	Anti-dilutive	Anti-dilutive