

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") 31 December 2022 except as follows: -

During the FPE 31 December 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 RM298,057,205 comprising 3,423,995,038 Shares as a result of the following: -

- (i) conversion of 599,800 irredeemable convertible preference shares in Ta Win ("ICPS") into 599,800 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 31 December 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	156,511	6,291	14,773	1,292	176	179,043
Segment results						
Operating loss	(888)	(915)	527	(308)	(2,228)	(3,812)
Finance costs	(1,062)	(59)	(78)	(10)	(9)	(1,218)
Profit/(loss) before tax	(1,950)	(974)	449	(318)	(2,237)	(5,030)

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 31 December 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 changes 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 31 Dec 2022
	RM'000
Approved and contracted for: -	
Purchase of property, plant and equipment	1,805

14. Income tax

	Individual quarter ended 31 Dec		Cumulative quarter ended 31 Dec	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current period	-	374	-	479

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.
- (ii) 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 31 December 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	(44.6)	19.4	Within 24 months
Repayment of bank borrowings	40.3	(40.3)	-	Within 12 months
Purchase of machineries and equipment	35.1	(25.1)	10.0	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	(124.0)	29.4	

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 2023 to implement the Private Placement.

- (iii) 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.

On 14 December 2022 another announcement has been made that the Ta Win Copper Biohealth Sdn. Bhd., a wholly-owned subsidiary of Ta Win had on 14 December 2022 entered into a Supplemental Agreement to vary the terms of the Share Sale Agreement as follows: -

- a) The "Completion Date" stated under the Share Sale Agreement shall be varied and amended to mean a date falling on or before 15 June 2023;
- b) In consideration of the Company agreeing to vary the "Completion Date" as set out in (a) above, the Purchasers have agreed to pay in equal proportion to the Company an additional deposit in the amount of Ringgit Malaysia Two Million Eighty-Five Thousand (RM2,085,000.00) upon the execution of the Supplemental Agreement by all the Parties. The definition of "Deposit" under the Share Sale Agreement shall accordingly be varied and amended to mean Ringgit Malaysia Four Million One Hundred and Seventy Thousand (RM4,170,000.00) being twenty per centum (20%) of the Purchase Price; and
- c) Upon the payment of the additional deposit by the Purchasers to the Company, the "Balance Purchase Price" as defined under the Share Sale Agreement shall be varied and amended to mean Ringgit Malaysia Sixteen Million Six Hundred and Eighty Thousand (RM16,680,000.00) to be paid by the Purchasers to the Company in equal proportion.

16. Borrowings and debt securities

Details of the Group's borrowings and debt securities as at 31 December 2022 are as follows: -

	<u>As at 31 Dec 2022</u>	<u>As at 31 Dec 2021</u>
	<u>RM'000</u>	<u>RM'000</u>
Secured Short-Term Borrowings: -		
Trade finance	83,823	80,507
Lease payables	2,849	1,977
Term Loan	2,211	3,576
	<u>88,883</u>	<u>86,060</u>
Secured Long-Term Borrowings: -		
Term Loan	22,969	2,768
Lease payables	6,851	3,365
	<u>29,820</u>	<u>6,133</u>
	<u>118,703</u>	<u>92,193</u>

17. Derivatives

(i) Disclosure of derivative

As at 31 December 2022, the Group has the following derivative financial instrument:

	<u>Contract value</u>	<u>Fair value</u>
	<u>RM'000</u>	<u>RM'000</u>
Commodity Swap		
Less than 1 year	16,452	16,569

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.

(ii) Fair value changes of derivative

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.

18. Fair value hierarchy

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.

19. Material litigation

There are no material litigations as at the date of this announcement.

20. Contingent liabilities

There are no material changes in contingent assets or contingent liabilities for the FPE 31 December 2022.

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

	Current quarter 31 Dec 2022	Immediate preceding quarter 30 Sep 2022	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue				
Copper product	156,511	160,165	(3,654)	-2.3%
Cable and wire	6,291	5,015	1,276	25.4%
Wire harness and power code	14,773	16,035	(1,262)	-7.9%
Warehousing and logistic	1,292	1,651	(359)	-21.7%
Others	176	262	(86)	-32.8%
	179,043	183,128	(4,085)	-2.2%
Loss before tax				
Copper product	(1,950)	(4,201)	2,251	-53.6%
Cable and wire	(974)	(796)	(178)	22.4%
Wire harness and power code	449	(383)	832	-217.2%
Warehousing and logistic	(318)	(73)	(245)	335.6%
Others	(2,237)	(1,771)	(466)	26.3%
	(5,030)	(7,224)	(2,194)	-30.4%

Revenue for the current quarter under review had reduced by approximately RM4.09 million or -2.2% compared to the immediately preceding quarter.

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

	Individual quarter ended 31 Dec				Cumulative quarter ended 31 Dec			
	2022	2021	Variance	Variance	2022	2021	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
Copper product	156,511	147,318	9,193	6.2%	316,676	199,572	117,104	58.7%
Cable and wire	6,291	8,095	(1,804)	-22.3%	11,306	9,704	1,602	16.5%
Wire harness and power code	14,773	16,457	(1,684)	-10.2%	30,808	28,859	1,949	6.8%
Warehousing and logistic	1,292	10	1,282	12820.0%	2,943	33	2,910	8818.2%
Others	176	600	(424)	-70.7%	438	1,129	(691)	-61.2%
	179,043	172,480	6,563	3.8%	362,171	239,297	122,874	51.3%
Profit/(Loss) before tax								
Copper product	(1,950)	4,423	(6,373)	-144.1%	(6,151)	2,583	(8,734)	-338.1%
Cable and wire	(974)	1,473	(2,447)	-166.1%	(1,770)	564	(2,334)	-413.8%
Wire harness and power code	449	1,689	(1,240)	-73.4%	66	2,106	(2,040)	-96.9%
Warehousing and logistic	(318)	(4)	(314)	7850.0%	(391)	(19)	(372)	1957.9%
Others	(2,237)	(1,219)	(1,018)	83.5%	(4,008)	(2,606)	(1,402)	53.8%
	(5,030)	6,362	(11,392)	-179.1%	(12,254)	2,628	(14,882)	-566.3%

In the FPE 31 December 2022, the Group's revenue increase by approximately RM6.56 million from the previous financial year corresponding quarter to approximately RM179.04 million. The higher revenue recorded in the copper product segment was mainly due to continued growth in sales volume from one of the major subsidiary TWI.

The Group recorded a loss before tax of approximately RM5.03 million in the FPE 31 December 2022 as compared to the corresponding quarter, FPE 31 December 2021 profit of RM6.4 million.

23. Commentary on prospects

The year 2022 has drawn to a close and the overview on Malaysian economy outlook as a whole, being the headline inflation has increased to 3.3% (2021: 2.5%) and core inflation averaged higher at 3.0% (2021: 0.7%). Meanwhile, the manufacturing sectors grew by 13.2% (Year 2021:7.2%).

For 2023 forecast, the Malaysian economy is expected to progress at a more modest pace amid from a slower global growth, prolonging of geopolitical conflicts tighter financial conditions, and worsening supply chain disruptions. The services and manufacturing sectors will be the prime movers of growth.

Ta Win Group continues to focus on the enhancement of its businesses as follows: -

- a) Ta Win Industries (M) Sdn Bhd's new plant in Pulau Indah, Klang is currently in the phase of the final installation. Tenaga Nasional Berhad is currently installing the power supply upgrade at the plant from 1000 amp to 6000 amp and is scheduled to be completed soon. The company is targeting to begin with the trial run in March 2023.
- b) Cyprium Wire Technology Sdn Bhd is currently in the midst of exercising production sample in the Electron Curing Service Department for product certificate application as well as customer audit once all the tests are completed. The company has also targeted to commence the commercial production in the mid of 2023.
- c) Sin Line Tek Electronic Co Sdn Bhd continues the effort in increasing the capacity through R&D, Business Development & Marketing activities are being intensified to acquire new business and projects. The company is also looking at expanding the business through investment plans for the year 2023.

Apart of the main areas of focus mentioned in the above, the Group is also continuously looking into improving the overall cost management to achieve the profitable returns throughout the financial year of 2023. The Group remains positive & optimistic in maneuvering the business through the economic challenges that comes ahead.

24. Profit forecast

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

25. Earnings per share ("EPS")

	Individual quarter ended 31 Dec		Cumulative quarter ended 31 Dec	
	2022	2021	2022	2021
(Loss) / Income for the period attributable to equity holders of the parent ('000)	(4,084)	4,664	(10,459)	1,389
Weighted average number of shares for basis earning per share calculation ('000)	3,423,995	3,412,616	3,423,995	3,412,616
Basic (loss) / earnings per share (sen)	(0.12)	0.14	(0.31)	0.04
Diluted earnings per share (sen)	Anti-dilutive	0.13	Anti-dilutive	0.04