

**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.

	<b>Effective for annual periods beginning on or after</b>
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 June 2023 except as follows: -

During the FPE 30 June 2023, 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 RM298,967,919 comprising 3,435,265,038 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.
- (iii) subscription of 11,270,000 new Shares at the price of RM0.0452 for Employee Share Option Scheme.

## 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 June 2023 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	75,149	10,185	12,676	784	35	98,829
<b>Segment results</b>						
Operating loss	(5,372)	(3,219)	36	(344)	(5,474)	(14,373)
Finance costs	(1,126)	(61)	(95)	(8)	(8)	(1,298)
<b>(Loss)/Profit before tax</b>	<b>(6,498)</b>	<b>(3,280)</b>	<b>(59)</b>	<b>(352)</b>	<b>(5,482)</b>	<b>(15,671)</b>

## 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 June 2023 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: -

	<b>As at 30 Jun 2023</b>
	<b>RM'000</b>
<b>Approved and contracted for: -</b>	
Purchase of property, plant and equipment	645

**14. Income tax**

	Individual quarter ended 30 Jun		Cumulative quarter ended 30 Jun	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Income Tax</b>				
Current period	1,082	(36)	1,241	(817)

**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 30 June 2023 is as follows: -

Purpose	Approved utilisation	Actual utilisation	Balance	Estimated timeframe from receipt of proceeds
	RM'million	RM'million		
Working capital	64.0	(64.0)	-	Within 24 months
Repayment of bank borrowings	40.3	(40.3)	-	Within 12 months
Purchase of machineries and equipment	35.1	(28.4)	6.7	Within 24 months
Investment in Sin Line Tek	12.7	(12.7)	-	Within 1 month
Estimated expenses	1.3	(1.3)	-	Within 1 month
	<b>153.4</b>	<b>(146.7)</b>	<b>6.7</b>	

- (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 March 2023, another announcement has been made that the TWCB had on 14 March 2023 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

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.

On 14 June 2023, further announcement has been made that TWCB had on 14 June 2023 entered into Supplemental Agreement to vary the terms of the Share Sale Agreement as follows: -

- a) The "Completed Date" stated under the Share Sale Agreement shall be varied and amended to mean a date falling on or before 14 December 2023; and
- b) Save for the abovementioned, the other terms and conditions of the Share Sale Agreement shall remain unchanged.

## 16. Borrowings and debt securities

Details of the Group's borrowings and debt securities as at 30 June 2023 are as follows: -

	<u>As at 30 Jun 2023</u>	<u>As at 30 Jun 2022</u>
	RM'000	RM'000
<b>Secured Short-Term Borrowings: -</b>		
Trade finance	81,784	78,501
Lease payables	3,262	2,741
Term Loan	2,334	498
	<u>87,380</u>	<u>81,740</u>
<b>Secured Long-Term Borrowings: -</b>		
Term Loan	22,059	2,534
Lease payables	6,602	7,746
	<u>28,661</u>	<u>10,280</u>
	<b><u>116,041</u></b>	<b><u>92,020</u></b>

## 17. Derivatives

### (i) Disclosure of derivative

As at 30 June 2023, the Group has the following derivative financial instrument:

	<u>Contract value</u>	<u>Fair value</u>
	RM'000	RM'000
Commodity Swap		
Less than 1 year	29,182	28,246

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 30 June 2023.

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

	Current quarter 30 Jun 2023	Immediate preceding quarter 31 Mar 2023	Variance	Variance
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
Copper product	75,149	125,924	(50,775)	-40.3%
Cable and wire	10,185	11,760	(1,575)	-13.4%
Wire harness and power code	12,676	13,375	(699)	-5.2%
Warehousing and logistic	784	798	(14)	-1.8%
Others	35	281	(246)	-87.5%
	<b>98,829</b>	<b>152,138</b>	<b>(53,309)</b>	<b>-35.0%</b>
<b>Loss before tax</b>				
Copper product	(6,498)	(9,579)	3,081	-32.2%
Cable and wire	(3,280)	(3,174)	(106)	3.3%
Wire harness and power code	(59)	9	(68)	-755.6%
Warehousing and logistic	(352)	(515)	163	-31.1%
Others	(5,482)	(2,374)	(3,108)	130.9%
	<b>(15,671)</b>	<b>(15,633)</b>	<b>(38)</b>	<b>0.2%</b>

Revenue for the current quarter under review had reduced by approximately RM53.3 million or -35.0% 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 30 Jun				Cumulative quarter ended 30 Jun			
	2023	2022	Variance	Variance	2023	2022	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Revenue</b>								
Copper product	75,149	138,140	(62,991)	-45.6%	517,749	455,801	61,948	13.6%
Cable and wire	10,185	1,925	8,260	429.1%	33,251	21,604	11,647	53.9%
Wire harness and power code	12,676	16,572	(3,896)	-23.5%	56,859	62,134	(5,275)	-8.5%
Warehousing and logistic	784	1,526	(742)	-48.6%	4,525	2,100	2,425	115.5%
Others	35	338	(303)	-89.6%	754	1,903	(1,149)	-60.4%
	<b>98,829</b>	<b>158,501</b>	<b>(59,672)</b>	<b>-37.6%</b>	<b>613,138</b>	<b>543,542</b>	<b>69,596</b>	<b>12.8%</b>

	Individual quarter ended 30 Jun				Cumulative quarter ended 30 Jun			
	2023	2022	Variance	Variance	2023	2022	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<b>Loss before tax</b>								
Copper product	(6,498)	(1,803)	(4,695)	260.4%	(22,228)	3,320	(25,548)	-769.5%
Cable and wire	(3,280)	(7,392)	4,112	-55.6%	(8,224)	(3,931)	(4,293)	109.2%
Wire harness and power code	(59)	(165)	106	-64.2%	16	3,517	(3,501)	-99.5%
Warehousing and logistic	(352)	84	(436)	-519.0%	(1,258)	68	(1,326)	-1950.0%
Others	(5,482)	(1,443)	(4,039)	279.9%	(11,864)	(5,250)	(6,614)	126.0%
	<b>(15,671)</b>	<b>(10,719)</b>	<b>(4,952)</b>	<b>46.2%</b>	<b>(43,558)</b>	<b>(2,276)</b>	<b>(41,281)</b>	<b>1813.0%</b>

In the FPE 30 June 2023, the Group's revenue decrease by approximately RM59.67 million from the previous financial year corresponding quarter to approximately RM98.83 million.

The Group recorded a loss before tax of approximately RM15.67 million in the FPE 30 June 2023 as compared to the corresponding quarter, FPE 30 June 2022 loss of RM10.72 million.

### 23. Commentary on prospects

Malaysian economy expanded moderately in the second quarter of 2023 by 2.9% compared to 5.6% in first quarter of 2023, weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. With the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. While the growth outlook is subject to downside risk stemming primarily from weaker-than-expected global growth, there are also upside risk factors such as faster implementation of projects.

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

- a) Ta Win Industries (M) Sdn Bhd new plant in Pulau Indah, Klang has been completed and is currently under trial run and R&D stage for future expansion.
- 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. It is targeted to commence the commercial production in the second half of 2023. It's Signal and Power Solutions Business is expected to benefit from the demand and prospects for the irradiation cross-linked wire and cable products amid the rapid development in mega trends such as increasing demand for electric vehicles equipped with the latest automotive solutions, advanced technologies and vehicle connectivity, as well as increasing government regulation related to vehicle safety, fuel efficiency and emissions control.
- c) Sin Line Tek Electronic Co Sdn Bhd continues the effort in increasing its capacity through R&D to develop its own brand products. Business Development & Marketing activities are being intensified to acquire new business and projects. The company is also adopting multiple cost control measures and process improvement to reduce its overhead and fix costs to enhance its operation efficiency and profitability.

Going forward, the Group anticipate the on-going Russian-Ukraine War, potential disruptions in global supply chain, rising interest rates and fluctuations in LME copper price will elevate operational costs and potentially impact profitability. Despite these challenges, the Group maintains a stance of cautious optimism, and committed to vigilantly tracking market developments and fostering close collaboration with our customers, suppliers, and business partners to manage and mitigate these challenges.

### 24. Profit forecast

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

**25. Loss per share (“LPS”)**

	<b>Individual quarter ended 30 Jun</b>		<b>Cumulative quarter ended 30 Jun</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Loss for the period attributable to equity holders of the parent ('000)	(12,959)	(6,870)	(36,799)	(2,790)
Weighted average number of shares for basis loss per share calculation ('000)	3,426,993	3,415,107	3,426,993	3,415,107
Weighted average number of shares for diluted loss per share calculation ('000)	3,435,961	3,424,375	3,435,961	3,424,375
Basic loss per share (sen)	(0.378)	(0.201)	(1.074)	(0.082)
Diluted loss per share (sen)	(0.377)	(0.201)	(1.071)	(0.081)