

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 2023.

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 2023 except for standards effective for financial periods beginning on or after 1 January 2023.

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
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17, Initial Application of MFRS 9 and MFRS 17 – Comparative Information	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2, Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108, Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Deferred Tax related to Assts and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112, International Tax Reform-Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16, Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101, Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101, Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 107 and MFRS 7, Supplier Financial Arrangements	1 January 2024
Amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

3. Auditors’ report

There was no qualified audit report issued by the auditors in the annual financial statements for the FYE 30 June 2023.

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 2023 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 2023 except as follows: -

During the FPE 30 September 2023 , the Company's issued share capital increased from RM298,967,919 comprising 3,435,265,038 ordinary shares in Ta Win Holdings Berhad ("Ta Win" or the "Company") ("Ta Win Shares" or "Shares") to RM298,968,524 comprising 3,435,268,918 Shares as a result of the following: -

- (i) conversion of 3,880 warrant B in Ta Win ("WA") into 3,880 new Shares at the conversion price of RM0.135.

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 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	137,190	11,430	12,120	7	45	160,792
Segment results						
Operating loss	(371)	(3,246)	(1,122)	(4)	66	(4,677)
Finance costs	(1,174)	(73)	(95)	-	(14)	(1,356)
(Loss)/Profit before tax	(1,545)	(3,319)	(1,217)	(4)	52	(6,033)

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 2023 to the date of this announcement which would substantially affect the financial results of the Group for the FPE 30 September 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: -

As at 30 Sep 2023
RM'000

Approved and contracted for: -
Purchase of property, plant and equipment

_____ -

14. Income tax

	Individual quarter ended 30 Sep		Cumulative quarter ended 30 Sep	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current period	25	-	25	-

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 October 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	(35.1)	-	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	(153.4)	-	

- (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 TWCB 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

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 September 2023 are as follows: -

	As at 30 Sep 2023	As at 30 Sep 2022
	RM'000	RM'000
Secured Short-Term Borrowings: -		
Trade finance	92,676	84,301
Lease payables	3,411	2,957
Term Loan	2,334	2,264
	98,421	89,522
Secured Long-Term Borrowings: -		
Term Loan	21,229	23,758
Lease payables	6,199	6,730
	27,428	30,488
	125,849	120,010

17. Derivatives

(i) Disclosure of derivative

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

	Contract value	Fair value
	RM'000	RM'000
Commodity Swap		
Less than 1 year	22,986	22,396

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 September 2023.

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

	Current quarter 30 Sep 2023	Immediate preceding quarter 30 Jun 2023	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue				
Copper product	137,190	75,149	62,041	82.6%
Cable and wire	11,430	10,185	1,245	12.2%
Wire harness and power code	12,120	12,676	(556)	-4.4%
Warehousing and logistic	7	784	(777)	-99.1%
Others	45	35	10	28.6%
	160,792	98,829	61,963	62.7%
Loss before tax				
Copper product	(1,545)	(6,498)	4,953	-76.2%
Cable and wire	(3,319)	(3,280)	(39)	1.2%
Wire harness and power code	(1,217)	(59)	(1,158)	1962.7%
Warehousing and logistic	(4)	(352)	348	-99.9%
Others	52	(5,482)	5,534	-100.9%
	(6,033)	(15,671)	9,638	-61.5%

Revenue for the current quarter under review had increased by approximately RM61.9 million or 62.7% 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 Sep			Variance %	Cumulative quarter ended 30 Sep			Variance %
	2023	2022	Variance		2023	2022	Variance	
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue								
Copper product	137,190	160,165	(22,975)	-14.3%	137,190	160,165	(22,975)	-14.3%
Cable and wire	11,430	5,015	6,415	127.9%	11,430	5,015	6,415	127.9%
Wire harness and power code	12,120	16,035	(3,915)	-24.4%	12,120	16,035	(3,915)	-24.4%
Warehousing and logistic	7	1,651	(1,644)	-99.6%	7	1,651	(1,644)	-99.6%
Others	45	262	(217)	-82.8%	45	262	(217)	-82.8%
	160,792	183,128	(22,336)	-12.2%	160,792	183,128	(22,336)	-12.2%

	Individual quarter ended 30 Sep				Cumulative quarter ended 30 Sep			
	2023	2022	Variance	Variance	2023	2022	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Loss before tax								
Copper product	(1,545)	(4,201)	2,656	-63.2%	(1,545)	(4,201)	2,656	-63.2%
Cable and wire	(3,319)	(796)	(2,523)	317.0%	(3,319)	(796)	(2,523)	317.0%
Wire harness and power code	(1,217)	(383)	(834)	217.8%	(1,217)	(383)	(834)	217.8%
Warehousing and logistic	(4)	(73)	69	-94.5%	(4)	(73)	69	-94.5%
Others	52	(1,771)	1,823	-102.9%	52	(1,771)	1,823	-102.9%
	(6,033)	(7,224)	1,191	-16.5%	(6,033)	(7,224)	1,191	-16.5%

In the FPE 30 September 2023, the Group's revenue decrease by approximately RM22.34 million from the previous financial year corresponding quarter to approximately RM160.79 million.

The Group recorded a loss before tax of approximately RM6.03 million in the FPE 30 September 2023 as compared to the corresponding quarter, FPE 30 September 2022 loss of RM7.22 million.

23. Commentary on prospects

The preliminary GDP estimate for the Malaysian economy indicates an upturn in economic activity during the third quarter. Growth in 2024 will be driven mainly by resilient domestic expenditure, with some support emanating from the expected recovery in electrical and electronics (E&E) exports. Continued employment and wage growth remain supportive of household spending. Investment activity would be supported by continued progress of multi-year infrastructure projects, and implementation of catalytic initiatives under the national master plans. Measures under Budget 2024 will also provide additional impetus to economic activity. The above said growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger and protracted declines in commodity outputs. Overall, growth mainly emanate from a stronger recovery from the E&E downcycle, and faster implementation of existing and new projects.

In views of the above, Ta Win Group will continue to focus on the enhancement of its business as follows: -

- 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 to pave way for future expansion. It's focus on enhancing production efficiency and operational profitability.
- Cyprium Wire Technology Sdn Bhd is presently engaged in testing new products and actively participating in business development and marketing activities to secure new business and projects. The company is implementing various cost-control measures and process improvements to lower overhead and fixed costs, aiming to increase efficiency and enhance operational effectiveness and profitability.
- 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 prolonged geopolitical tensions, disruptions in global supply chain, persistently high interest rate environment 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”)

	Individual quarter ended 30 Sep		Cumulative quarter ended 30 Sep	
	2023	2022	2023	2022
Loss for the period attributable to equity holders of the parent ('000)	(4,174)	(6,375)	(4,174)	(6,375)
Weighted average number of shares for basis loss per share calculation ('000)	3,435,267	3,423,875	3,435,267	3,423,875
Weighted average number of shares for diluted loss per share calculation ('000)	3,444,535	3,433,143	3,444,535	3,433,143
Basic loss per share (sen)	(0.122)	(0.186)	(0.122)	(0.186)
Diluted loss per share (sen)	(0.121)	(0.186)	(0.121)	(0.186)