

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 June 2024 except as follows: -

During the FPE 30 June 2024, 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 June 2024 is as follows: -

	Copper product RM'000	Cable and wire RM'000	Wire harness and power code RM'000	Warehousing and logistic RM'000	Other RM'000	Total RM'000
Revenue from external customers	213,212	9,063	14,972	13	-	237,260
Segment results						
Operating (loss)/Profit	(2,469)	(2,632)	707	60	(3,996)	(8,330)
Finance costs	(1,837)	(75)	(108)	-	(9)	(2,029)
(Loss)/Profit before tax	(4,306)	(2,707)	599	60	(4,005)	(10,359)

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 June 2024 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 Jun 2024 RM'000
Approved and contracted for: -	
Purchase of property, plant and equipment	-

14. Income tax

	Individual quarter ended 30 Jun		Cumulative quarter ended 30 Jun	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income Tax				
Current period	5,345	1,082	5,320	860

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 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.

On 14 December 2023, further announcement has been made that TWCB had on 14 December 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 June 2024; and
- b) Save for the abovementioned, the other terms and conditions of the Share Sale Agreement shall remain unchanged.

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

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

- (ii) On 14 June 2024, further announcement has been made that TWCB had on 14 June 2024 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 2024; and
- b) Save for the abovementioned, the other terms and conditions of the Share Sale Agreement shall remain unchanged.
- (iii) On 9 July 2020, Ta Win has entered into the Share Sale Agreement ("SSA") and Shareholders Agreement with the Vendor, namely Lim Aik Gee for the acquisition of 51% of Sin Line Tek Electronic Co Sdn Bhd Shares.

Pursuant to the SSA and the Supplemental Agreement, the Vendor guarantees that the Sin Line Tek Electronic Co Sdn Bhd and its subsidiaries ("Sin Line Tek Group") shall attain and achieve an audited consolidated PAT of RM2.6 million and RM3 million for the First Profit Guarantee Period (1 July 2021 to 30 June 2022) and Second Profit Guarantee Period (1 July 2022 to 30 June 2023) respectively.

Sin Line Tek Group achieved an audited consolidated PAT of RM2.6 million for the First Profit Guarantee Period. Ta Win released and transferred 13,260,000 Shares to the Vendor, being part of the Retention Shares from the Escrow Account representing approximately 46% of the total of Retention Shares.

Sin Line Tek Group failed to achieve an audited consolidated PAT of RM3 million for the Second Profit Guarantee Period. Ta Win and the Vendor still in the progress of negotiating the settlement.

16. Borrowings and debt securities

Details of the Group's borrowings and debt securities as at 30 June 2024 are as follows: -

	<u>As at 30 Jun 2024</u>	<u>As at 30 Jun 2023</u>
	<u>RM'000</u>	<u>RM'000</u>
Secured Short-Term Borrowings: -		
Trade finance	112,544	81,784
Lease payables	3,016	3,262
Term Loan	2,447	2,334
Bank Overdraft	-	1,318
	<u>118,007</u>	<u>88,698</u>
Secured Long-Term Borrowings: -		
Term Loan	19,693	22,059
Lease payables	4,550	6,602
	<u>24,243</u>	<u>28,661</u>
	<u>142,250</u>	<u>117,359</u>

17. Derivatives

(i) Disclosure of derivative

As at 30 June 2024, 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	<u>17,258</u>	<u>17,890</u>

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.

17. Derivatives (Cont'd)

(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 2024.

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

	Current quarter 30 Jun 2024	Immediate preceding quarter 31 Mar 2024	Variance	Variance
	RM'000	RM'000	RM'000	%
Revenue				
Copper product	213,212	142,432	70,780	49.7%
Cable and wire	9,063	9,863	(800)	-8.1%
Wire harness and power code	14,972	12,387	2,585	20.9%
Warehousing and logistic	13	4	9	225.0%
Others	-	1	(1)	-100.0%
	237,260	164,687	72,573	44.1%
Loss before tax				
Copper product	(4,306)	(194)	(4,112)	2119.6%
Cable and wire	(2,707)	(1,569)	(1,138)	72.5%
Wire harness and power code	599	(110)	709	-644.5%
Warehousing and logistic	60	11	49	445.5%
Others	(4,005)	(3,497)	(508)	14.5%
	(10,359)	(5,359)	(5,000)	93.3%

Revenue for the current quarter under review had increased by approximately RM72.57 million or 44.1% 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			
	2024	2023	Variance	Variance	2024	2023	Variance	Variance
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue								
Copper product	213,212	75,149	138,063	183.7%	611,962	517,749	94,213	18.2%
Cable and wire	9,063	10,185	(1,122)	-11.0%	39,047	33,251	5,796	17.4%
Wire harness and power code	14,972	12,676	2,296	18.1%	52,923	56,880	(3,957)	-7.0%
Warehousing and logistic	13	784	(771)	-98.3%	42	4,517	(4,475)	-99.1%
Others	-	35	(35)	-100.0%	64	754	(690)	-91.5%
	237,260	98,829	138,431	140.1%	704,038	613,151	90,887	14.8%

22. Detailed analysis of the performance for the current quarter and same quarter in last year (Cont'd)

Loss before tax								
Copper product	(4,306)	(6,498)	2,192	-33.7%	(7,223)	(22,228)	15,005	-67.5%
Cable and wire	(2,707)	(3,280)	573	-17.5%	(11,127)	(8,797)	(2,330)	26.5%
Wire harness and power code	599	(59)	658	-1115.3%	(219)	(17)	(202)	1188.2%
Warehousing and logistic	60	(352)	412	-117.0%	81	(1,225)	1,306	-106.6%
Others	(4,005)	(5,482)	1,477	-26.9%	(7,551)	(11,886)	4,335	-36.5%
	(10,359)	(15,671)	5,312	-33.9%	(26,039)	(44,153)	18,114	-41.0%

In the FPE 30 June 2024, the Group's revenue increase by approximately RM138.43 million from the previous financial year corresponding quarter to approximately RM237.26 million.

The Group recorded a loss before tax of approximately RM 10.36 million in the FPE 30 June 2024 as compared to the corresponding quarter FPE 30 June 2023 loss of RM15.67 million.

23. Commentary on prospects

The Malaysian economy grew by 5.9% in Q2 2024, up from 4.2% in Q1, driven by stronger domestic demand and rising exports. Household spending increased due to positive labor market conditions and policy support, while investment was bolstered by ongoing multi-year projects and capacity expansions. The manufacturing sector saw widespread improvements, especially in electrical and electronics. On a seasonally adjusted basis, the economy grew by 2.9% quarter-on-quarter.

Malaysia's economic growth is expected to remain strong, supported by firm domestic demand and improving external conditions, though risks include potential downturns in external demand, geopolitical conflicts, and lower commodity production.

In light of these conditions, Ta Win Group will focus on enhancing its operations: -

- Ta Win Industries (M) Sdn Bhd is improving its production efficiency and boosting marketing to achieve profitability.
- Cyprium Wire Technology Sdn Bhd is testing new products and securing new clients while implementing cost-control measures to enhance efficiency and profitability.
- Sin Line Tek Electronic Co Sdn Bhd is intensifying business development activities for new products and expanding capacity through R&D, and implementing cost controls to improve efficiency and profitability.

The Group anticipates challenges such as geopolitical tensions, supply chain disruptions, and fluctuations in copper prices and exchange rates, but remains cautiously optimistic. Ta Win will closely monitor market developments and maintain strong partnerships to navigate 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 Jun		Cumulative quarter ended 30 Jun	
	2024	2023	2024	2023
Loss for the period attributable to equity holders of the parent ('000)	(4,111)	(12,959)	(16,089)	(37,394)
Weighted average number of shares for basis loss per share calculation ('000)	3,435,269	3,426,993	3,435,269	3,426,993
Weighted average number of shares for diluted loss per share calculation ('000)	3,444,237	3,435,961	3,444,237	3,435,961
Basic loss per share (sen)	(0.120)	(0.378)	(0.468)	(1.091)
Diluted loss per share (sen)	(0.119)	(0.377)	(0.467)	(1.088)