

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for second quarter ended 31 January 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/01/2024	31/01/2023	31/01/2024	31/01/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	459,454	360,558	866,960	758,386
Cost of Sales	(425,078)	(347,978)	(812,186)	(782,909)
Gross Profit/(Loss)	34,376	12,580	54,774	(24,523)
Other Income	1,499	1,226	6,594	4,130
Operating Expenses	(13,248)	(12,253)	(25,455)	(23,112)
Profit/(Loss) from Operations	22,627	1,553	35,913	(43,505)
Finance Costs	(5,534)	(4,641)	(10,920)	(9,601)
Finance Income	519	644	1,021	1,355
Share of profit/(loss) of equity-accounted investees, net of tax	8,434	27,527	(8,172)	28,838
Profit/(Loss) Before Tax	26,046	25,083	17,842	(22,913)
Tax expense	(4,187)	(2,025)	(5,379)	(2,824)
Profit/(Loss) for the Period	21,859	23,058	12,463	(25,737)
Other Comprehensive Income/(Loss)				
Fair value profit/(loss) on other investments	301	16	(142)	27
Foreign currency translation differences for foreign operations	3	(14)	13	37
	304	2	(129)	64
Total Comprehensive Income/(Loss)	22,163	23,060	12,334	(25,673)
Profit/(Loss) Attributable to:				
Owners of the parent	21,434	22,420	12,002	(26,719)
Non-Controlling Interests	425	638	461	982
	21,859	23,058	12,463	(25,737)
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	21,738	22,422	11,873	(26,655)
Non-Controlling Interests	425	638	461	982
	22,163	23,060	12,334	(25,673)
Earnings/(Loss) Per Share (EPS)				
(a) Basic (sen)	1.23	1.29	0.69	(1.53)
(b) Diluted (sen)	NA	NA	NA	NA

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2023 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
(Incorporated in Malaysia)

Condensed Consolidated Statements of Financial Position as at 31 January 2024

	31/01/2024 (Unaudited)	31/07/2023 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	294,624	280,153
Right-of-use assets	3,706	4,160
Investment properties	10,012	10,655
Investment in joint venture	639,415	594,352
Other investments	847	996
Deferred tax assets	2,538	4,740
Other Receivables	31,598	41,635
	<u>982,740</u>	<u>936,691</u>
Current assets		
Inventories	513,567	444,106
Trade and other receivables	397,497	358,865
Derivative financial assets	399	420
Current tax assets	11,161	14,367
Other investments	1,722	3,644
Cash and cash equivalents	81,371	134,315
	<u>1,005,717</u>	<u>955,717</u>
Total assets	<u>1,988,457</u>	<u>1,892,408</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	872,654	872,654
Treasury shares	(7,499)	(7,499)
Translation reserves	(303)	(316)
Fair value reserves	(1,756)	(1,614)
Retained earnings	426,337	423,046
	<u>1,289,433</u>	<u>1,286,271</u>
Non-Controlling Interests	202	(259)
Total equity	<u>1,289,635</u>	<u>1,286,012</u>
Non-current liabilities		
Lease liabilities	2,920	3,366
Deferred tax liabilities	9,725	9,914
	<u>12,645</u>	<u>13,280</u>
Current liabilities		
Loans and borrowings	624,965	539,076
Trade and other payables	58,281	48,810
Lease liabilities	886	873
Derivative liabilities	662	2,506
Contract liabilities	-	1,307
Current tax payable	1,383	544
	<u>686,177</u>	<u>593,116</u>
Total liabilities	<u>698,822</u>	<u>606,396</u>
Total equity and liabilities	<u>1,988,457</u>	<u>1,892,408</u>
Net assets per share attributable to owners of the parent (RM)	0.7402	0.7381

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2023 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
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Condensed Consolidated Statements of Cash Flows for the period ended 31 January 2024

	Current Year To-date 31/01/2024 RM'000	Preceding Year Corresponding Period 31/01/2023 RM'000
<u>Operating Activities</u>		
Profit/(Loss) Before Tax	17,842	(22,913)
Adjustments for:		
Allowance for impairment loss on trade receivables	604	-
Dividend income	(43)	-
Depreciation of investment properties	141	127
Depreciation of property, plant and equipment	9,037	6,411
Depreciation of right-of-use assets	454	454
Fair value gain on foreign exchange derivative	(1,844)	-
Finance income:		
Other investments	(69)	(194)
Deposits with licensed banks	(952)	(1,161)
Gain on disposal of property, plant and equipment	(1,560)	(3,265)
Gain on disposal of investment properties	(32)	-
Finance costs	10,920	9,601
Net overdue interest income	(392)	(639)
Net unrealised foreign exchange (gain)/loss	(704)	1,276
Property, plant and equipment written off	28	35
(Reversal)/Write-down of inventories to net realisable value	(4,630)	14,756
Share of profit/(loss) of equity-accounted joint venture, net of tax	8,172	(28,838)
Operating profit/(loss) before changes in working capital	36,973	(24,350)
Net changes in inventory	(64,790)	213,502
Net changes in trade and other receivables	(27,980)	31,636
Net changes in trade and other payables	8,470	(41,664)
Cash (used in)/generated from operations	(47,327)	179,124
Interest paid	(10,855)	(9,522)
Net overdue interest income	392	639
Net income tax paid	(112)	(17,467)
Net cash (used in)/generated from operating activities	(57,902)	152,774
<u>Investing Activities</u>		
Additional investment in equity-accounted joint venture	(53,235)	-
Dividend income	43	-
Finance income:		
Other investments	69	194
Deposits with licensed banks	952	1,161
Increase in other investments	1,922	3,775
Proceeds from disposal of property, plant and equipment	3,244	3,738
Proceeds from disposal of investment properties	535	-
Purchase of property, plant and equipment	(25,262)	(15,122)
Net cash used in investing activities	(71,732)	(6,254)
<u>Financing Activities</u>		
Dividend paid	(8,711)	(17,422)
Payment of lease liabilities	(498)	(498)
Drawdown/(Repayment) of borrowings (net)	85,889	(171,642)
Net cash generated from/(used in) financing activities	76,680	(189,562)
Net Decrease in Cash and Cash Equivalents	(52,954)	(43,042)
Effect of exchange rate changes	10	(1,305)
Cash and Cash Equivalents at beginning of period	134,315	150,061
Cash and Cash Equivalents at end of period	81,371	105,714

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2023 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
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Condensed Consolidated Statements of Changes in Equity for the period ended 31 January 2024

	----- Attributable to equity holders of the parent ----->							
	----- Non-distributable -----				<----- Distributable ----->			
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserves RM'000	Fair Value Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As at end of current quarter ended 31 January 2024								
Opening balance as at 1 August 2023	872,654	(7,499)	(316)	(1,614)	423,046	1,286,271	(259)	1,286,012
Total comprehensive income	-	-	13	(142)	12,002	11,873	461	12,334
Transactions with owners								
Final dividend for the financial year ended 31 July 2023 (Single tier of 0.5 sen)	-	-	-	-	(8,711)	(8,711)	-	(8,711)
Transactions with owners	-	-	-	-	(8,711)	(8,711)	-	(8,711)
Closing balance as at 31 January 2024	<u>872,654</u>	<u>(7,499)</u>	<u>(303)</u>	<u>(1,756)</u>	<u>426,337</u>	<u>1,289,433</u>	<u>202</u>	<u>1,289,635</u>
As at preceding year corresponding quarter ended 31 January 2023								
Opening balance as at 1 August 2022	872,654	(7,499)	(326)	(1,832)	409,557	1,272,554	(443)	1,272,111
Total comprehensive income/(loss)	-	-	37	27	(26,719)	(26,655)	982	(25,673)
Transactions with owners								
Final dividend for the financial year ended 31 July 2022 (Single tier of 1.0 sen)	-	-	-	-	(17,422)	(17,422)	-	(17,422)
Transactions with owners	-	-	-	-	(17,422)	(17,422)	-	(17,422)
Closing balance as at 31 January 2023	<u>872,654</u>	<u>(7,499)</u>	<u>(289)</u>	<u>(1,805)</u>	<u>365,416</u>	<u>1,228,477</u>	<u>539</u>	<u>1,229,016</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2023 and the accompanying explanatory notes attached to the int statements.

Explanatory Notes on the Quarterly Report – Second Quarter ended 31 January 2024

PART A : EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 July 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 July 2023.

2. Significant Accounting Policies

This interim financial report has been prepared based on accounting policies and methods of computation which are consistent with those adopted in the annual audited financial statements for the year ended 31 July 2023.

The Group has not adopted the following standards, interpretations and amendments that have been issued but not yet effective:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Lease – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

2. Significant Accounting Policies (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 August 2024 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 August 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

3. Audit qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 July 2023.

4. Seasonal or cyclical factors

The Group's business operations are not materially affected by any major seasonal factors except during Hari Raya and Chinese New Year festive seasons where business activities generally slow down.

5. Material unusual items

There were no items of an unusual nature or amount affecting assets, liabilities, equity, net income or cash flows during the quarter.

6. Material changes in estimates

There were no material changes in estimates of amount reported in prior interim period that have material impact in the current quarter under review.

7. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review. As at quarter ended 31 January 2024, a total of 5,492,000 buy-back shares were held as treasury shares and carried at cost.

8. Dividend paid

A single tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 July 2023 was approved by the shareholders at the 27th Annual General Meeting of the Company held on 15 December 2023. A total of RM8,711,699 was paid on 19 January 2024 to depositors registered in the Record of Depositors at the close of business on 5 January 2024.

9. Segment information

The Group's activities are identified into the following business segments:

6 months ended 31 January 2024								
	Trading	Manufac-	Property	Transport-	Mining	Selling of	Others/	Group
	<u>RM'000</u>	<u>turing</u>	and	ation	explor-	Electricity	Elimination	<u>RM'000</u>
		<u>RM'000</u>	Investment	<u>RM'000</u>	ation	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
			<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
SALES								
- External sales	477,740	379,485	-	54	2,099	7,582	-	866,960
- Intersegment sales	-	14,473	21,724	1,330	-	-	(37,527)	-
Total sales	477,740	393,958	21,724	1,384	2,099	7,582	(37,527)	866,960
RESULTS								
Finance income	446	447	80	23	-	25	-	1,021
Finance costs	6,997	3,858	65	-	-	-	-	10,920
Depreciation & amortisation	266	6,804	1,687	106	699	70	-	9,632
Share of loss of joint venture	-	-	-	-	-	-	(8,172)	(8,172)
Segment profit / (loss)	79	19,506	4,364	(4)	1,354	714	(8,172)	17,842

6 months ended 31 January 2023								
	Trading	Manufac-	Property	Transport-	Mining	Selling of	Others/	Group
	<u>RM'000</u>	<u>turing</u>	and	ation	explor-	Electricity	Elimination	<u>RM'000</u>
		<u>RM'000</u>	Investment	<u>RM'000</u>	ation	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
			<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
SALES								
- External sales	464,018	276,579	-	58	2,211	15,520	-	758,386
- Intersegment sales	-	7,168	15,120	1,018	-	-	(23,306)	-
Total sales	464,018	283,747	15,120	1,076	2,211	15,520	(23,306)	758,386
RESULTS								
Finance income	560	602	173	20	-	-	-	1,355
Finance costs	6,043	3,479	79	-	-	-	-	9,601
Depreciation & amortisation	394	4,024	1,640	189	745	-	-	6,992
Share of profit of joint venture	-	-	-	-	-	-	28,838	28,838
Segment (loss) / profit	(8,386)	(46,429)	202	(111)	1,422	1,551	28,838	(22,913)

10. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the previous annual report.

11. Significant events

There were no material events subsequent to the end of the interim period up to the date of this report.

In connection to our announcement dated 6 December 2023 regarding the Company's subscription of 54,600,000 new ordinary shares ("the Company's Proportionate Rights Issue Subscription") in Group's Joint Venture Entity, Eastern Steel Sdn. Bhd. ("ESSB") at a total subscription amount of RM53,235,000 in the Rights Issue of ESSB which amounted to a total of RM195,000,000.

The Company has fully paid the subscription amount of RM53,235,000 to ESSB. ESSB has on 18 December 2023 confirmed that it has received in full all the subscription amounts from all the Subscribers and has lodged with the Registrar of Companies the allotment and issue of 200,000,000 new ordinary shares in ESSB on 19 December 2023 in respect of the abovementioned Rights Issue.

12. Changes in the composition of the Group

There were no significant changes in the composition of the Group as at the date of this report.

13. Changes in contingent liabilities and assets

The Group has no contingent liabilities and assets as at 31 January 2024.

14. Capital commitments

The amount of commitments not provided for in the interim financial reports as at 31 January 2024 is as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	49,300
- Authorised but not contracted for	5,000
	54,300

15. Related party transactions

Related party transactions for the quarter under review in which certain Directors have direct/indirect interest are as follows:

	Group	
	Current year quarter	Current year-to- date
	31.01.2024	31.01.2024
	RM'000	RM'000
Purchases of steel products by certain wholly owned subsidiaries of the Group from JK Ji Seng Sdn.Bhd.	135,952	277,901
Rent of office space by Hiap Teck Venture Berhad from Pedoman Cekap Sdn. Bhd.	249	498

These transactions have been entered into in the normal course of business and at arm's length basis and on terms no more favorable to the related party than those generally available to the public and are not detrimental to minority shareholders.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

16. Review of performance

Table 1: Financial review for current quarter and financial year to date for the quarter ended 31 January 2024.

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Year	Preceding Year Corresponding Quarter	Amount	%	Current Year To-date	Preceding Year Corresponding Period	Amount	%
	31/01/2024	31/01/2023			31/01/2024	31/01/2023		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	459,454	360,558	98,896	27%	866,960	758,386	108,574	14%
Gross profit/(loss)	34,376	12,580	21,796	173%	54,774	(24,523)	79,297	323%
Profit/(loss) from operations	22,627	1,553	21,074	1357%	35,913	(43,505)	79,418	183%
Share of profit/(loss) of equity-accounted investees, net of tax	8,434	27,527	(19,093)	-69%	(8,172)	28,838	(37,010)	-128%
Profit/(Loss) before tax	26,046	25,083	963	4%	17,842	(22,913)	40,755	178%
Profit/(Loss) for the period	21,859	23,058	(1,199)	-5%	12,463	(25,737)	38,200	148%
Profit/(Loss) attributable to:								
Owners of the parent	21,434	22,420	(986)	-4%	12,002	(26,719)	38,721	145%
Non-controlling interests	425	638	(213)	-33%	461	982	(521)	-53%
	21,859	23,058	(1,199)	-5%	12,463	(25,737)	38,200	148%

In the current quarter under review, the Group reported higher revenue of RM459.454 million, marking a substantial 27% increase from RM360.558 million in the corresponding quarter of the previous year. This notable growth was primarily driven by higher sales volume despite a decline in the average selling price.

Within the Group, the Trading division's revenue remained relatively flat at RM230.088 million compared to RM229.831 million in the same quarter last year. In contrast, the Manufacturing division reported a remarkable 68.4% increase in revenue, reaching RM224.479 million compared to RM133.338 million in the preceding year's corresponding quarter.

On a year-on-year basis, the Group achieved a significant turnaround in its profit from operations for the current quarter, posting RM22.627 million. This represents a substantial improvement compared to the profit of RM1.553 million in the same quarter last year. This improvement can be attributed to better profit margins resulting from stabilizing steel prices and, partly, due to the reversal of Write-down of Inventories to Net Realisable Value of RM3 million in the current quarter.

Overall, the Group achieved a commendable profit before tax ("PBT") of RM26.046 million in the current quarter, compared to RM25.083 million in the preceding year's same quarter. This increase in PBT was mainly attributed to the improved profit margins from Group's downstream operating subsidiaries. However, the share of profit from the JV entity for the current quarter was lower at RM8.434 million compared to RM27.527 million, largely due to higher raw material costs and better performance recorded in the previous year's corresponding quarter due to favorable foreign exchange translation impacts.

17. Comparison with immediate preceding quarter's results

Table 2: Financial review for current quarter compared with immediate preceding quarter.

	Individual Quarter		Changes	
	Current Year Quarter 31/01/2024	Immediate Preceding Quarter 31/10/2023	Amount	%
	RM'000	RM'000	RM'000	%
Revenue	459,454	407,506	51,948	13%
Gross profit	34,376	20,398	13,978	69%
Profit from operations	22,627	13,286	9,342	70%
Share of profit/(loss) of equity-accounted investees, net of tax	8,434	(16,606)	25,040	151%
Profit/(Loss) before tax	26,046	(8,204)	34,250	417%
Profit/(Loss) for the period	21,859	(9,396)	31,255	333%
Profit/(Loss) attributable to:				
Owners of the parent	21,434	(9,432)	30,866	327%
Non-controlling interests	425	36	389	1081%
	21,859	(9,396)	31,255	333%

In the current quarter, the Group's revenue increased by 13% to RM459.454 million, compared to the immediate preceding quarter's RM407.506 million, driven by higher sales volume.

The Group's profit from operations rose to RM22.627 million in the current quarter, up from RM13.286 million in the immediate preceding quarter, primarily due to improved profit margins resulting from lower cost of inventories.

Overall, the Group recorded a profit before tax of RM26.046 million for the current quarter, in contrast to the loss before tax of RM8.204 million in the immediate preceding quarter. This significant shift was primarily attributed to a share of profit from a JV entity, totaling RM8.434 million, as opposed to a share of loss of RM16.606 million in the immediate preceding quarter, mainly due to adverse foreign exchange translation impacts.

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18. Prospects

The global steel industry anticipates a balanced outlook in 2024, with marginal improvements in steel demand expected, driven by key sectors like manufacturing, automotive, and infrastructure. Despite facing challenges such as decreased demand in developed economies and China's economic slowdown, the industry remains cautiously optimistic about maintaining the growth momentum observed in 2023. However, persistently high interest rates and the projected slowdown in China could moderate this trajectory.

Conversely, Malaysia's economic trajectory shows promise for growth. Despite challenges posed by subdued exports due to prolonged weaknesses in external demand, the Malaysian economy displayed resilience with a 3% expansion in the fourth quarter of 2023. Household spending, supported by improving labour market conditions, continues to drive economic momentum. Nonetheless, the impact of stronger imports remains a concern.

Malaysia's steel sector faces the dual challenge of navigating global steel industry dynamics and the country's economic growth prospects. Although Malaysia has implemented a two-year moratorium on steel investments in alignment with the New Industrial Master Plan 2030, the impact of global steel challenges cannot be overlooked. The resilience of Malaysia's steel demand will be crucial in mitigating potential adverse effects.

Amidst these complexities, our Group remains committed to strategic resilience. We prioritise prudent procurement strategies, effective inventory management, and operational efficiency enhancements. With the successful utilisation of 80% capacity in the new 2.0 million MT blast furnace since October 2023, coupled with the completion of auxiliary facilities, we anticipate significant revenue growth and notable cost savings from economies of scale in our JV entity. Barring unforeseen circumstances, we expect significant contributions and positive outcomes from this venture.

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19. Variance of actual and forecast profit

Not applicable.

20. Tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding Year Corresponding Quarter	Current year-to-date	Preceding Year Corresponding Period
	31.01.2024	31.01.2023	31.01.2024	31.01.2023
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year	2,009	1,195	3,787	2,017
- prior year	-	1,654	(421)	1,654
Deferred tax				
- current year	2,178	(824)	2,154	(847)
- prior year	-	-	(140)	-
	4,187	2,025	5,379	2,824

The Group's effective tax rate for the current year-to-date was lower than the statutory income tax rate after excluding the share of loss of the joint venture due to reversal of prior years' tax over-provided.

21. Status of corporate proposal

There was no corporate proposal as at the date of this announcement.

22. Loans and borrowings

The Group's borrowings are as follows:

	As at 31.01.2024	As at 31.07.2023
	RM'000	RM'000
Short-Term Loan		
Bankers' acceptances	325,528	317,787
Post shipment buyer loan	114,644	67,548
Accepted bills	145,731	130,755
Revolving credit	39,062	22,986
	624,965	539,076

All borrowings are secured by corporate guarantees of the Company. The financial impact of the guarantees is not material as the subsidiaries concerned are in positive financial standings to meet their obligations as and when they fall due.

23. Material litigation

There is no material litigation for the quarter under review.

24. Dividend

The Board of Directors does not recommend any dividend for the period under review.

25. Earnings per share (“EPS”)

The basic earnings/(loss) per share is calculated by dividing the Group’s net profit/(loss) attributable to ordinary equity holders for the period by the weighted average number of ordinary shares in issue.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.01.2024	Preceding Year Corresponding Quarter 31.01.2023	Current Year To-Date 31.01.2024	Preceding Year Corresponding Period 31.01.2023
Profit/(Loss) attributable to owners of the parent (RM'000)	21,434	22,420	12,002	(26,719)
Weighted average number of ordinary shares in issue ('000)	1,742,230	1,742,230	1,742,230	1,742,230
Basic earnings/(loss) per share (sen)	1.23	1.29	0.69	(1.53)

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

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26. Profit from operations

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.01.2024 RM'000	Preceding Year Corresponding Quarter 31.01.2023 RM'000	Current Year-to-date 31.01.2024 RM'000	Preceding Year Corresponding Period 31.01.2023 RM'000
<i>Profit for the period is arrived at after charging:</i>				
Allowance for impairment loss on trade receivables	604	-	604	-
Depreciation of property, plant and equipment	4,627	3,249	9,037	6,411
Depreciation of investment properties	71	63	141	127
Depreciation of right-of-use assets	227	227	454	454
Finance costs	5,534	4,641	10,920	9,601
(Reversal) / Write-down of inventories to net realisable value	(3,000)	(12,686)	(4,630)	14,756
Property, plant and equipment written off	1	6	28	35
<i>and after crediting / (charging):</i>				
Gain on disposal of property, plant and equipment	772	2,447	1,560	3,265
Gain on disposal of investment properties	32	-	32	-
Fair value (loss)/gain on foreign exchange derivative	(242)	-	1,844	-
Finance income:				
Other investments	39	118	69	194
Deposits with licensed banks	480	526	952	1,161
Net foreign exchange gain/(loss)				
Realised	(115)	465	544	937
Unrealised	(134)	(2,279)	704	(1,276)
Net overdue interest income	45	300	392	639
Rental income	259	43	518	480
Share of profit/(loss) of equity-accounted joint venture, net of tax	8,434	27,527	(8,172)	28,838

27. Authorisation for Issue

The Interim Financial Statements were authorised for issue by the Board of Directors on 27 March 2024.