

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

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for 3rd quarter from 1 February 2022 to 30 April 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30/04/2022	30/04/2021	30/04/2022	30/04/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	456,952	329,643	1,196,783	917,109
Cost of Sales	(406,211)	(257,024)	(1,026,986)	(781,192)
Gross Profit	50,741	72,619	169,797	135,917
Other Income	2,405	2,394	6,105	4,211
Operating Expenses	(12,246)	(11,480)	(31,994)	(30,012)
Profit from Operations	40,900	63,533	143,908	110,116
Finance Costs	(2,886)	(3,181)	(9,608)	(10,171)
Share of profit of equity-accounted investees, net of tax	3,319	19,809	29,954	26,556
Profit Before Tax	41,333	80,161	164,254	126,501
Tax expense	(8,879)	(14,293)	(32,420)	(23,455)
Profit for the Period	32,454	65,868	131,834	103,046
Other Comprehensive Income				
Fair value profit on other investments	77	38	60	104
Foreign currency translation differences for foreign operations	(43)	(22)	11	(2)
	34	16	71	102
Total Comprehensive Income	32,488	65,884	131,905	103,148
Profit Attributable to:				
Owners of the parent	32,210	65,925	131,537	102,943
Non-Controlling Interests	244	(57)	297	103
	32,454	65,868	131,834	103,046
Total Comprehensive Income Attributable to:				
Owners of the parent	32,244	65,941	131,608	103,045
Non-Controlling Interests	244	(57)	297	103
	32,488	65,884	131,905	103,148
Earnings Per Share (EPS)				
(a) Basic (sen)	1.85	4.79	7.57	7.47
(b) Diluted (sen)	1.86	4.15	7.60	6.49

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 2021 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 Financial Position as at 30 April 2022

	30/04/2022 (Unaudited)	31/07/2021 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	257,273	260,478
Right-of-Use assets	162	300
Investment properties	8,348	8,511
Investment in joint venture	527,091	497,137
Other investments	843	784
	<u>793,717</u>	<u>767,210</u>
Current assets		
Inventories	338,052	450,139
Trade and other receivables	403,866	210,009
Derivative assets	-	155
Current tax assets	7,658	6,203
Deposits with licensed banks	17,890	18,100
Cash and bank balances	144,204	158,531
	<u>911,670</u>	<u>843,137</u>
Total assets	<u>1,705,387</u>	<u>1,610,347</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	872,654	865,088
Treasury shares	(7,499)	(7,499)
Translation reserves	(358)	(369)
Share option reserves	-	6,407
Fair value reserves	(1,766)	(1,826)
Retained earnings	385,081	264,923
	<u>1,248,112</u>	<u>1,126,724</u>
Non-Controlling Interests	(497)	(843)
Total equity	<u>1,247,615</u>	<u>1,125,881</u>
Non-current liabilities		
Lease liabilities	-	123
Deferred tax liabilities	17,577	17,650
	<u>17,577</u>	<u>17,773</u>
Current liabilities		
Loans and borrowings	378,602	411,101
Trade and other payables	46,219	51,809
Lease liabilities	173	192
Contract liabilities	-	782
Current tax payable	15,201	2,809
	<u>440,195</u>	<u>466,693</u>
Total liabilities	<u>457,772</u>	<u>484,466</u>
Total equity and liabilities	<u>1,705,387</u>	<u>1,610,347</u>
Net assets per share attributable to owners of the parent (RM)	0.72	0.65

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2021 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 30 April 2022

	Current Year To-date 30/04/2022 RM'000	Preceding Year Corresponding Period 30/04/2021 RM'000
<u>Operating Activities</u>		
Profit Before Tax	164,254	126,501
Adjustments for:		
Dividend income	(33)	-
Depreciation of investment properties	163	164
Depreciation of property, plant and equipment	9,688	9,877
Depreciation of right-of use assets	138	138
Finance income:		
Other investments	(18)	(157)
Deposits with licensed banks	(1,564)	(824)
Gain on disposal of property, plant and equipment	(2,092)	(1,307)
Finance costs	9,608	10,171
Net overdue interest income	(529)	(473)
Net unrealised foreign exchange (gain) / loss	(185)	491
Property, plant and equipment written off	93	23
Reversal for impairment loss on trade receivables	(105)	(158)
Write-down of inventories to net realisable value	8,587	6,176
Share of profit of equity-accounted joint venture, net of tax	<u>(29,954)</u>	<u>(26,556)</u>
Operating profit before changes in working capital	158,051	124,066
Net changes in inventory	104,743	97,781
Net changes in trade and other receivables	(193,343)	(120,232)
Net changes in trade and other payables	<u>(6,441)</u>	<u>2,307</u>
Cash generated from operations	63,010	103,922
Interest paid	(9,599)	(12,110)
Net overdue interest income	529	473
Net income tax paid	<u>(21,556)</u>	<u>(2,514)</u>
Net cash generated from operating activities	<u>32,384</u>	<u>89,771</u>
<u>Investing Activities</u>		
Dividend income	33	-
Finance income:		
Other investments	18	157
Deposits with licensed banks	1,564	824
Decrease in other investments	210	3,836
Proceeds from disposal of property, plant and equipment	2,660	3,613
Purchase of property, plant and equipment	<u>(8,387)</u>	<u>(2,673)</u>
Net cash (used in) / generated from investing activities	<u>(3,902)</u>	<u>5,757</u>
<u>Financing Activities</u>		
Dividend paid	(17,310)	(4,174)
Payment of lease liabilities	(151)	(151)
Repayment of borrowings (net)	(32,498)	(110,671)
Equity injected by non-controlling interest	49	-
Proceed from issuance of ESOS	7,090	-
Net cash used in financing activities	<u>(42,820)</u>	<u>(114,996)</u>
Net Decrease in Cash and Cash Equivalents	(14,338)	(19,468)
Effect of exchange rate changes	11	(297)
Cash and Cash Equivalents at beginning of period	<u>158,531</u>	<u>145,197</u>
Cash and Cash Equivalents at end of period	<u><u>144,204</u></u>	<u><u>125,432</u></u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2021 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 30 April 2022

	←----- Attributable to equity holders of the parent ----->										
	←----- Non-distributable ----->					<-Distributable->					
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Translation Reserves RM'000	Share Option Reserves RM'000	Fair Value Reserves RM'000	RCUIDS 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 30 April 2022											
Opening balance as at 1 August 2021	865,088	(7,499)	-	(369)	6,407	(1,826)	-	264,923	1,126,724	(843)	1,125,881
Total comprehensive income	-	-	-	11	-	60	-	131,537	131,608	297	131,905
Transactions with owners											
Issuance of ordinary shares pursuant to:-											
- Share options exercised	7,566	-	-	-	(476)	-	-	-	7,090	-	7,090
Expired of ESOS	-	-	-	-	(5,931)	-	-	5,931	-	-	-
Minority Interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	49	49
Final dividend for the financial year ended 31 July 2021 (Single tier of 1.0 sen)	-	-	-	-	-	-	-	(17,310)	(17,310)	-	(17,310)
Transactions with owners	7,566	-	-	-	(6,407)	-	-	(11,379)	(10,220)	49	(10,171)
Closing balance as at 30 April 2022	872,654	(7,499)	-	(358)	-	(1,766)	-	385,081	1,248,112	(497)	1,247,615
As at preceding year corresponding quarter ended 30 April 2021											
Opening balance as at 1 August 2020	680,166	(7,499)	30,341	(302)	5,401	(1,881)	27,752	128,065	862,043	(933)	861,110
Total comprehensive income	-	-	-	(2)	-	104	-	102,943	103,045	103	103,148
Transactions with owners											
Issuance of ordinary shares pursuant to:-											
- Conversion of RCUIDS	21,422	-	-	-	-	-	(21,422)	-	-	-	-
RCUIDS DTA adjustments	-	-	-	-	-	-	5,141	-	5,141	-	5,141
Final dividend for the financial year ended 31 July 2020 (Single tier of 0.3 sen)	-	-	-	-	-	-	-	(4,174)	(4,174)	-	(4,174)
Transactions with owners	21,422	-	-	-	-	-	(16,281)	(4,174)	967	-	967
Closing balance as at 30 April 2021	701,588	(7,499)	30,341	(304)	5,401	(1,777)	11,471	226,834	966,055	(830)	965,225

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2021 and the accompanying explanatory notes attached to the interim financial statements.

Explanatory Notes on the Quarterly Report – 30 April 2022

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 2021. 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 2021.

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 2021.

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 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

2. Significant Accounting Policies (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021, except for amendments to MFRS 4 which is not applicable to the Group.
- from the annual period beginning on 1 August 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and MFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 August 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group.

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 2021.

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 except the following:

- a) Issuance of 8,791,100 new ordinary shares pursuant to exercise of Employees' Share Option Scheme.
- b) As at quarter ended 30 April 2022, 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 1.0 sen per ordinary share in respect of the financial year ended 31 July 2021 was approved by shareholders at the 25th Annual General Meeting of the Company held on 17 December 2021. A total amount of RM17,309,995 was paid on 21 January 2022 to depositors registered in the Record of Depositors at the close of business on 6 January 2022.

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9. Segment information

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

	9 months ended 30 April 2022						
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Others/ Elimination RM'000	Group RM'000
SALES							
- External sales	616,307	577,340	-	15	3,121	-	1,196,783
- Intersegment sales	-	3,523	8,894	1,808	-	(14,225)	-
Total sales	616,307	580,863	8,894	1,823	3,121	(14,225)	1,196,783
RESULTS							
Finance income	534	1,029	1	18	-	-	1,582
Finance costs	5,927	3,681	-	-	-	-	9,608
Depreciation & amortisation	580	6,665	1,400	283	1,061	-	9,989
Share of profit of joint venture	-	-	-	-	-	-	29,954
Segment profit	49,796	87,031	(4,611)	98	1,986	29,954	164,254

	9 months ended 30 April 2021						
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Others/ Elimination RM'000	Group RM'000
SALES							
- External sales	450,459	464,774	-	1	1,875	-	917,109
- Intersegment sales	-	3,988	8,772	2,490	-	(15,250)	-
Total sales	450,459	468,762	8,772	2,491	1,875	(15,250)	917,109
RESULTS							
Finance income	418	549	1	13	-	-	981
Finance costs	6,529	3,171	471	-	-	-	10,171
Depreciation & amortisation	578	7,230	1,386	288	697	-	10,179
Share of profit of joint venture	-	-	-	-	-	-	26,556
Segment profit	22,447	78,850	(2,888)	403	1,133	26,556	126,501

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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.

12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the quarter under review.

13. Changes in contingent liabilities and assets

The contingent liabilities are as follow:

Unsecured Contingent Liabilities :-	Group	
	As at 30.04.2022 RM'000	As at 31.07.2021 RM'000
In respect of indemnity provided for bank guarantees issued	6,825	5,000
In respect of Notices of Additional Assessment with penalties from Inland Revenue Board	13,423	-
Total	20,248	5,000

14. Capital commitments

The amount of commitments not provided for in the interim financial reports as at 30 April 2022 is as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	13,500
- Authorised but not contracted for	2,000
	15,500

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 30.04.2022 RM'000	Current year-to- date 30.04.2022 RM'000	
	Purchases of steel products by certain wholly owned subsidiaries of the Group from JK Ji Seng Sdn.Bhd.	-	71,411

These transactions have been entered into in the normal course of business and at arm's length basis and on terms no more favourable 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 30 April 2022.

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%	Current Year To-date	Preceding Year Corresponding Period	Amount	%
	30/04/2022	30/04/2021			30/04/2022	30/04/2021		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	456,952	329,643	127,309	39%	1,196,783	917,109	279,674	30%
Gross profit	50,741	72,619	(21,878)	-30%	169,797	135,917	33,880	25%
Profit from operations	40,900	63,533	(22,633)	-36%	143,908	110,116	33,792	31%
Profit before tax	41,333	80,161	(38,828)	-48%	164,254	126,501	37,753	30%
Profit for the period	32,454	65,868	(33,414)	-51%	131,834	103,046	28,788	28%
Profit attributable to:								
Owners of the parent	32,210	65,925	(33,715)	-51%	131,537	102,943	28,594	28%
Non-controlling interests	244	(57)	301	528%	297	103	194	188%
	32,454	65,868	(33,414)	-51%	131,834	103,046	28,788	28%

Group revenue for the current quarter under review grew 39% to RM456.952 million as compared to preceding year's corresponding quarter of RM329.643 million mainly contributed by both higher sales volumes and average selling prices.

The Trading division achieved a 51% increase in revenue to RM240.939 million as compared to RM159.778 million in the preceding year's corresponding quarter, whilst the Manufacturing division reported a 25% increase in revenue to RM215.894 million as compared to the preceding year's corresponding quarter revenue of RM172.127 million.

The Group registered lower profit from operations of RM40.900 million for the current quarter as compared to preceding year's same quarter of RM63.533 million primarily due to higher costs of inventories despite the increase in sales volumes.

On the whole, the Group recorded a profit before tax of RM41.333 million in current quarter, down against the preceding year's corresponding quarter of RM80.161 million. The reduction in profit before tax was attributed to lower share of profit from JV entity at RM3.319 million in the current quarter as compared to RM19.809 million in last year corresponding quarter and lower profit margin for the Group's downstream operating subsidiaries as a result of higher costs of inventories.

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	Immediate Preceding Quarter	Amount	%
	30/04/2022	31/01/2022		
	RM'000	RM'000	RM'000	%
Revenue	456,952	333,205	123,747	37%
Gross profit	50,741	44,535	6,206	14%
Profit from operations	40,900	36,442	4,458	12%
Profit before tax	41,333	36,588	4,745	13%
Profit for the period	32,454	28,305	4,149	15%
Profit attributable to:				
Owners of the parent	32,210	28,239	3,971	14%
Non-controlling interests	244	66	178	270%
	32,454	28,305	4,149	15%

For the current quarter under review, Group revenue climbed 37% to RM456.952 million from RM333.205 million in the immediate preceding quarter ("2Q2022") contributed by higher sales volumes for both the Trading and Manufacturing divisions in spite of the lower average selling prices in the current quarter.

Profit from operations in the current quarter improved by 12% to RM40.900 million as compared to RM36.442 million in the immediate preceding quarter. This was contributed by improved sales volumes though partially offset by lower profit margin due to the decline in steel prices.

Profit before tax of the Group of RM41.333 million in 3Q2022 was higher as compared to RM36.588 million in 2Q2022, primarily due to higher sales volumes despite lower profit margin.

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18. Prospects

According to the World Steel Association, steel demand growth will slow in 2022 as consumption in Russia and Ukraine slumps in the wake of the war. Consumption will rise just 0.4% to 1,840.2 million MT, a slower pace than last year's 2.7% increase. The World Steel Association expects steel demand growth to rebound to 2.2% in 2023. Demand in China – the world's top producer and consumer of steel will remain flat this year despite government stimulus focused on infrastructure.

Global Supply Chain disruption, stemming from China's zero-COVID policy, the Russia-Ukraine Crisis and pick-up in construction and industrial activities following the reopening of the economy could keep steel selling prices elevated.

Malaysia's economy has rebounded in the first quarter of 2022, registered a 5% year-on year growth versus a contraction of 0.5% in Q1 2021. The positive economic performance was underpinned by improving domestic demand as economic activities continued to normalise with the easing of containment measures. The construction sector remain sluggish though declined at a lower rate of -6.2% from -12.2% in Q4 2021.

Despite all the challenges, the Group recorded a remarkable 9 months performance to-date with a profit after tax of RM131.834 million, a 28% climb over the preceding year corresponding period as a result of improved sales revenue and higher contributions from the JV entity. The Group is vigilant of the downward trend of steel prices and will continue to focus on prudent procurement strategies and inventory management to mitigate any potential adverse impact on performance and financial strength. Management remains positive on the Group's performance in the coming quarter as the resumption of economic activity gathers momentum and business confidence improved.

At the JV entity level, its second 200,000MT coke oven plant is targeted to fully complete by July 2022.

19. Variance of actual and forecast profit

Not applicable.

20. Tax

	Group	
	Current year quarter 30.04.2022	Current year-to- date 30.04.2022
	RM'000	RM'000
Income tax		
- current year	9,364	32,954
- prior year	(461)	(461)
Deferred tax	(24)	(73)
	8,879	32,420

The Group's effective tax rate was lower than the statutory income tax rate of 24% mainly due to share of profit of joint venture which resulted in higher profit before tax at Group level. The Group's effective tax rate was approximate the statutory income tax rate should the calculation exclude the share of profit of the joint venture.

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 30.04.2022 RM'000	As at 31.07.2021 RM'000
Short-Term Loan		
Secured:		
Bankers' acceptances	245,317	220,606
Post shipment buyer loan	34,425	58,374
Accepted bills	98,860	102,122
Revolving credit	-	30,000
Unsecured:		
RCUIDS	-	
	378,602	411,101

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, except for the following:

As announced on 30 September 2021, 26 October 2021, 3 March 2022, 8 April 2022 and 16 June 2022

Hiap Teck Venture Berhad, the Company has earlier engaged in discussions with Lembaga Hasil Dalam Negeri (“LHDN”) on certain audit findings for the Years of Assessment (“YA”) from 2013 to 2019 involving additional tax assessments and penalties of up to RM13.5 million. Based on legal advice obtained, Management has been advised that HTVB has merits in maintaining its stand on the audit issues raised by LHDN.

Accordingly, the Company has initiated legal proceedings to challenge the basis and validity of the said notices and penalties imposed. The judicial review application lodged by the Company against the Minister of Finance before the KL High Court in October 2021. The first case management was held on 26 October 2022 in which the Company was granted with an interim stay of all further proceedings including the enforcement of the Notices pending the hearing of Attorney General Chambers (AGC)’s appeal in a similar matter pending before the Court of Appeal.

In the latest case management fixed on 7 April 2022, the Company’s tax counsel updated the High Court on the status of the AGC’s appeal in a similar pending before the Court of Appeal has been fixed for hearing in September 2022.

In the meantime, the Director General of Inland Revenue (“**DGIR**”) has filed an application for intervener which was also heard before the KL High Court on 7 April 2022. The Company’s tax counsel has recorded objection on the grounds that the DGIR’s application is premature and has no direct interest in the present judicial review application. The KL High Court has fixed for hearing for the application of intervener on 15 June 2022 and after hearing the submissions from the Company’s tax counsel and the DGIR, the KL High Court has fixed the decision to be delivered on 18 August 2022.

The Company’s tax counsel applied for the interim stay order to be extended until the decision date on 18 August 2022 in order to preserve the rights of the Company. The KL High Court granted an extension for the interim stay of all further proceedings including the enforcement of the Notices until 18 August 2022. Consequent to this interim stay order, the Company need not pay the disputed taxes.

24. Dividend

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

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25. Earnings per share (“EPS”)

a) Basic EPS

The basic earnings per share is calculated by dividing the Group’s net profit 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 30.04.2022	Preceding Year Corresponding Quarter 30.04.2021	Current Year To-Date 30.04.2022	Preceding Year Corresponding Period 30.04.2021
Profit attributable to owners of the parent (RM'000)	32,210	65,925	131,537	102,943
Weighted average number of ordinary shares in issue ('000)	1,736,549	1,377,254	1,736,549	1,377,254
Basic earnings per share (sen)	1.85	4.79	7.57	7.47

b) Diluted EPS

The diluted earnings per share is calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue during the year, excluding treasury shares held by the Company at the opening of the quarter and financial year under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.04.2022	Current Year Quarter 30.04.2021	Current Year- to-date 30.04.2022	Current Year- to-date 30.04.2021
Profit attributable to owners of the parent (basis) (RM'000)	32,210	65,925	131,537	102,943
Interest expense on RCUIDS, net of tax (RM'000)	-	104	-	358
Profit attributable to owners of the parent (diluted) (RM'000)	32,210	66,029	131,537	103,301
Weighted average number of ordinary shares in issue (basis) ('000)	1,736,549	1,382,746	1,736,549	1,382,746
Effect of treasury shares held	(5,492)	(5,492)	(5,492)	(5,492)
Effect of conversion of RCUIDS	-	213,548	-	213,548
Weighted average number of ordinary shares in issue (diluted) ('000)	1,731,057	1,590,802	1,731,057	1,590,802
Diluted earnings per share (sen)	1.86	4.15	7.60	6.49

26. Profit from operations

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.04.2022 RM'000	Preceding Year Corresponding Quarter 30.04.2021 RM'000	Current Year-to-date 30.04.2022 RM'000	Preceding Year Corresponding Period 30.04.2021 RM'000
<i>Profit for the period is arrived at after charging:</i>				
Depreciation of property, plant and equipment	3,365	3,160	9,688	9,877
Depreciation of investment properties	53	54	163	164
Depreciation of right-of-use assets	46	46	138	138
Finance costs	2,886	3,181	9,608	10,171
Write-down of inventories to net realisable value	193	125	8,587	6,176
Property, plant and equipment written off	-	7	93	23
<i>and after crediting / (charging):</i>				
Gain on disposal of property, plant and equipment	887	282	2,092	1,307
Finance income:				
Other investments	7	51	18	157
Deposits with licensed banks	407	389	1,564	824
Net foreign exchange gain / (loss)				
Realised	118	260	230	229
Unrealised	590	288	185	(491)
Net overdue interest income	36	57	529	473
Rental income	240	239	723	719
Reversal for impairment on trade receivables	-	-	105	158
accounted joint venture, net of tax	3,319	19,809	29,954	26,556

27. Authorisation for Issue

The Interim Financial Statements were authorised for issue by the Board of Directors on 29 June 2022.

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