

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

**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for fourth quarter ended 31 July 2024**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/07/2024	31/07/2023	31/07/2024	31/07/2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	416,571	453,792	1,683,207	1,585,208
Cost of Sales	(400,183)	(412,406)	(1,581,949)	(1,535,944)
Gross Profit	16,388	41,386	101,258	49,264
Other Income	1,807	1,882	7,612	8,884
Operating Expenses	(11,300)	(17,612)	(46,372)	(53,899)
Profit from Operations	6,895	25,656	62,498	4,249
Finance Costs	(6,400)	(6,586)	(24,584)	(20,673)
Finance Income	564	554	2,192	2,373
Share of profit of equity-accounted investees, net of tax	47,750	17,138	77,284	44,515
<b>Profit Before Tax</b>	48,809	36,762	117,390	30,464
Tax expense	(1,224)	5,275	(10,095)	1,366
<b>Profit for the Period</b>	47,585	42,037	107,295	31,830
<b>Other Comprehensive Income/(Loss)</b>				
Fair value profit on other investments	29	174	40	218
Foreign currency translation differences for foreign operations	(48)	(43)	(37)	10
	(19)	131	3	228
<b>Total Comprehensive Income</b>	47,566	42,168	107,298	32,058
<b>Profit/(Loss) Attributable to:</b>				
Owners of the parent	47,491	42,603	106,311	30,911
Non-Controlling Interests	94	(566)	984	919
	47,585	42,037	107,295	31,830
<b>Total Comprehensive Income/(Loss) Attributable to:</b>				
Owners of the parent	47,472	42,734	106,314	31,139
Non-Controlling Interests	94	(566)	984	919
	47,566	42,168	107,298	32,058
Earnings Per Share (EPS)				
(a) Basic (sen)	2.73	2.45	6.10	1.77
(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))**  
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**Condensed Consolidated Statements of Financial Position as at 31 July 2024**

	<b>31/07/2024</b>	<b>31/07/2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	303,243	280,153
Right-of-use assets	3,252	4,160
Investment properties	9,869	10,655
Investment in joint venture	724,871	594,352
Other investments	3,452	996
Deferred tax assets	4,737	4,740
Other receivables	34,745	41,635
	<u>1,084,169</u>	<u>936,691</u>
<b>Current assets</b>		
Inventories	492,074	444,106
Trade and other receivables	412,574	358,865
Derivative financial assets	244	420
Current tax assets	11,304	14,367
Other investments	1,416	3,644
Cash and cash equivalents	93,881	134,315
	<u>1,011,493</u>	<u>955,717</u>
<b>Total assets</b>	<b><u>2,095,662</u></b>	<b><u>1,892,408</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	872,654	872,654
Treasury shares	(7,499)	(7,499)
Translation reserves	(353)	(316)
Fair value reserves	(1,574)	(1,614)
Retained earnings	520,646	423,046
	<u>1,383,874</u>	<u>1,286,271</u>
Non-Controlling Interests	725	(259)
<b>Total equity</b>	<b><u>1,384,599</u></b>	<b><u>1,286,012</u></b>
<b>Non-current liabilities</b>		
Lease liabilities	2,458	3,366
Deferred tax liabilities	13,532	9,914
	<u>15,990</u>	<u>13,280</u>
<b>Current liabilities</b>		
Loans and borrowings	565,501	539,076
Trade and other payables	118,115	48,810
Lease liabilities	908	873
Derivative liabilities	2,803	2,506
Contract liabilities	6,381	1,307
Current tax payable	1,365	544
	<u>695,073</u>	<u>593,116</u>
<b>Total liabilities</b>	<b><u>711,063</u></b>	<b><u>606,396</u></b>
<b>Total equity and liabilities</b>	<b><u>2,095,662</u></b>	<b><u>1,892,408</u></b>
Net assets per share attributable to owners of the parent (RM)	0.7947	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**  
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**Condensed Consolidated Statements of Cash Flows for the period ended 31 July 2024**

	<b>Current Year To-date 31/07/2024 RM'000</b>	<b>Preceding Year Corresponding Period 31/07/2023 RM'000</b>
<b><u>Operating Activities</u></b>		
Profit Before Tax	117,390	30,464
Adjustments for:		
Allowance for impairment loss on trade receivables	2,280	1,167
Allowance for slow moving stock	331	565
Dividend income	(81)	(93)
Depreciation of investment properties	282	255
Depreciation of property, plant and equipment	19,282	13,703
Depreciation of right-of-use assets	908	907
Fair value loss on foreign exchange derivative	437	2,086
Finance income:		
Other investments	(95)	(268)
Deposits with licensed banks	(2,097)	(2,105)
Gain on disposal of property, plant and equipment	(3,265)	(5,137)
Gain on disposal of investment properties	(30)	-
Finance costs	24,584	20,673
Net overdue interest income	(1,632)	(945)
Net unrealised foreign exchange loss	242	903
Property, plant and equipment written off	36	44
Reversal of inventories to net realisable value	(2,891)	(6,352)
Share of profit of equity-accounted joint venture, net of tax	(77,284)	(44,515)
Operating profit before changes in working capital	78,397	11,352
Net changes in inventory	(45,352)	203,674
Net changes in trade and other receivables	(48,643)	(10,391)
Net changes in trade and other payables	70,188	(66,398)
Contract liabilities	5,074	178
Cash generated from operations	59,664	138,415
Interest paid	(24,461)	(20,523)
Net overdue interest income	1,632	945
Net income tax paid	(3,381)	(24,411)
<b>Net cash generated from operating activities</b>	<b>33,454</b>	<b>94,426</b>
<b><u>Investing Activities</u></b>		
Additional investment in equity-accounted joint venture	(53,235)	-
Dividend income	81	93
Finance income:		
Other investments	95	268
Deposits with licensed banks	2,097	2,105
(Increase)/Decrease in other investments	(188)	8,060
Proceeds from disposal of property, plant and equipment	5,608	5,852
Proceeds from disposal of investment properties	535	-
Purchase of property, plant and equipment	(44,806)	(38,406)
<b>Net cash used in investing activities</b>	<b>(89,813)</b>	<b>(22,028)</b>
<b><u>Financing Activities</u></b>		
Dividend paid	(8,711)	(17,422)
Payment of lease liabilities	(996)	(995)
Drawdown/(Repayment) of borrowings (net)	26,425	(69,407)
Dividend to non-controlling interest	(735)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>15,983</b>	<b>(87,824)</b>
Net Decrease in Cash and Cash Equivalents	(40,376)	(15,426)
Effect of exchange rate changes	(58)	(320)
Cash and Cash Equivalents at beginning of period	134,315	150,061
Cash and Cash Equivalents at end of period	<b>93,881</b>	<b>134,315</b>

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  
(Registration No. 199701005844 (421340-U))  
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Condensed Consolidated Statements of Changes in Equity for the period ended 31 July 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
<b>As at end of current quarter ended 31 July 2024</b>								
Opening balance as at 1 August 2023	872,654	(7,499)	(316)	(1,614)	423,046	1,286,271	(259)	1,286,012
<b>Total comprehensive income</b>	-	-	(37)	40	106,311	106,314	984	107,298
<b>Transactions with owners</b>								
Final dividend for the financial year ended 31 July 2023 (Single tier of 0.5 sen)	-	-	-	-	(8,711)	(8,711)	-	(8,711)
<b>Transactions with owners</b>	-	-	-	-	(8,711)	(8,711)	-	(8,711)
<b>Closing balance as at 31 July 2024</b>	<u>872,654</u>	<u>(7,499)</u>	<u>(353)</u>	<u>(1,574)</u>	<u>520,646</u>	<u>1,383,874</u>	<u>725</u>	<u>1,384,599</u>
<b>As at preceding year corresponding quarter ended 31 July 2023</b>								
Opening balance as at 1 August 2022	872,654	(7,499)	(326)	(1,832)	409,557	1,272,554	(443)	1,272,111
<b>Total comprehensive income</b>	-	-	10	218	30,911	31,139	919	32,058
<b>Transactions with owners</b>								
Dividend to non-controlling interests	-	-	-	-	-	-	(735)	(735)
Final dividend for the financial year ended 31 July 2022 (Single tier of 1.0 sen)	-	-	-	-	(17,422)	(17,422)	-	(17,422)
<b>Transactions with owners</b>	-	-	-	-	(17,422)	(17,422)	(735)	(18,157)
<b>Closing balance as at 31 July 2023</b>	<u>872,654</u>	<u>(7,499)</u>	<u>(316)</u>	<u>(1,614)</u>	<u>423,046</u>	<u>1,286,271</u>	<u>(259)</u>	<u>1,286,012</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 – Fourth Quarter ended 31 July 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***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments 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 1 January 2026*

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

### *MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027*

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

### *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.
- from the annual period beginning on 1 August 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 August 2027 for the amendments that are effective for annual periods beginning on or after 1 January 2027.

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 July 2024, a total of 5,492,000 buy-back shares were held as treasury shares and carried at cost.

**8. Dividend paid**

No dividend was paid during the quarter under review.

## 9. Segment information

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

12 months ended 31 July 2024								
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Selling of Electricity RM'000	Others/ Elimination RM'000	Group RM'000
<b>SALES</b>								
- External sales	899,578	762,214	-	69	4,151	17,195	-	1,683,207
- Intersegment sales	-	27,442	53,623	2,912	-	-	(83,977)	-
<b>Total sales</b>	<b>899,578</b>	<b>789,656</b>	<b>53,623</b>	<b>2,981</b>	<b>4,151</b>	<b>17,195</b>	<b>(83,977)</b>	<b>1,683,207</b>
<b>RESULTS</b>								
Finance income	901	1,042	153	31	-	65	-	2,192
Finance costs	14,379	10,082	123	-	-	-	-	24,584
Depreciation & amortisation	509	14,839	3,385	231	1,370	138	-	20,472
Share of profit of joint venture	-	-	-	-	-	-	77,284	77,284
Segment (loss) / profit	(10,536)	38,705	7,670	32	2,687	1,549	77,284	117,390

12 months ended 31 July 2023								
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Selling of Electricity RM'000	Others/ Elimination RM'000	Group RM'000
<b>SALES</b>								
- External sales	964,772	588,909	-	92	3,130	28,305	-	1,585,208
- Intersegment sales	-	20,452	37,161	2,139	-	-	(59,752)	-
<b>Total sales</b>	<b>964,772</b>	<b>609,361</b>	<b>37,161</b>	<b>2,231</b>	<b>3,130</b>	<b>28,305</b>	<b>(59,752)</b>	<b>1,585,208</b>
<b>RESULTS</b>								
Finance income	999	1,116	215	43	-	-	-	2,373
Finance costs	14,040	6,483	150	-	-	-	-	20,673
Depreciation & amortisation	786	9,265	3,317	333	1,112	52	-	14,865
Share of profit of joint venture	-	-	-	-	-	-	44,515	44,515
Segment profit / (loss)	1,755	(27,691)	7,403	(210)	1,921	2,771	44,515	30,464

## 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 as at the date of this report, except for the following:

On 16 November 2023, the Group's wholly-owned subsidiary, Alpine Pipe Manufacturing Sdn. Bhd., had incorporated a 100% equity interest owned subsidiary, APM Resources Sdn. Bhd.. The objective of this new company is investment holding, general trading and business of general merchants, importers and exporters.

## 13. Changes in contingent liabilities and assets

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

## 14. Capital commitments

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

	<b>RM'000</b>
Property, plant and equipment	
- Authorised and contracted for	52,900
- Authorised but not contracted for	5,000
	<u>57,900</u>

## 15. Related party transactions

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

	<b>Group</b>	
	<b>Current year quarter</b>	<b>Current year-to- date</b>
	<b>31.07.2024</b>	<b>31.07.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchases of steel products by certain wholly owned subsidiaries of the Group from JK Ji Seng Sdn.Bhd.	115,035	532,918
Rent of office space by Hiap Teck Venture Berhad from Pedoman Cekap Sdn. Bhd.	249	996

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 July 2024.

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Year	Preceding Year	Amount	%	Current Year	Preceding Year	Amount	%
	Quarter	Corresponding Quarter			To-date	Corresponding Period		
	31/07/2024	31/07/2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	416,571	453,792	(37,221)	-8%	1,683,207	1,585,208	97,999	6%
<b>Gross profit</b>	16,388	41,386	(24,998)	-60%	101,258	49,264	51,994	106%
<b>Profit from operations</b>	6,895	25,656	(18,761)	-73%	62,498	4,249	58,249	1371%
<b>Share of profit of equity-accounted investees, net of tax</b>	47,750	17,138	30,612	179%	77,284	44,515	32,769	74%
<b>Profit before tax</b>	48,809	36,762	12,047	33%	117,390	30,464	86,926	285%
<b>Profit for the period</b>	47,585	42,037	5,548	13%	107,295	31,830	75,465	237%
<b>Profit attributable to:</b>								
Owners of the parent	47,491	42,603	4,888	11%	106,311	30,911	75,400	244%
Non-controlling interests	94	(566)	660	117%	984	919	65	7%
	<b>47,585</b>	<b>42,037</b>	<b>5,548</b>	<b>13%</b>	<b>107,295</b>	<b>31,830</b>	<b>75,465</b>	<b>237%</b>

In the current quarter, the Group's revenue declined by 8% to RM416.571 million, compared to RM453.792 million in the corresponding period last year, mainly due to lower average selling prices. However, for the full financial year 2024, the Group achieved a 6% increase in revenue, rising from RM1.585 billion to RM1.683 billion, driven by higher sales volumes, which helped offset the impact of lower prices.

Revenue from the Trading division fell by 16% to RM216.595 million from RM257.380 million due to reduced sales volumes. In contrast, the Manufacturing division recorded a 14% growth in revenue, reaching RM197.287 million from RM173.295 million, supported by higher volumes.

For the quarter, the Group's profit from operations decreased to RM6.895 million from RM25.656 million, primarily due to the downward trend in steel prices, which compressed profit margins, along with an inventory write-down of RM1.739 million. Nonetheless, for the full financial year, profit from operations surged to RM62.498 million, up from RM4.249 million, driven by stable steel prices in the second and third quarters, improved margins and sales volumes.

The Group's profit before tax (PBT) for the quarter rose to RM48.809 million from RM36.762 million, largely due to a substantial increase in the share of profit from the Joint Venture (JV) entity, which grew to RM47.750 million from RM17.138 million, benefiting from favourable foreign exchange translation effects and an increase in revenue arising from the additional 2 million MT capacity. For the full year, PBT surged by 285%, reaching RM107.295 million, compared to RM31.830 million previously. The downstream businesses also recovered, moving from a pre-tax loss of RM14.051 million to a PBT of RM40.106 million. Additionally, the share of profit from the upstream JV entity increased from RM44.515 million to RM77.284 million.

## 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 31/07/2024	Immediate Preceding Quarter 31/04/2024	Amount	%
	RM'000	RM'000	RM'000	%
<b>Revenue</b>	416,571	399,676	16,895	4%
<b>Gross profit</b>	16,388	30,096	(13,708)	-46%
<b>Profit from operations</b>	6,895	19,690	(12,795)	-65%
<b>Share of profit of equity-accounted investees, net of tax</b>	47,750	37,706	10,044	27%
<b>Profit before tax</b>	48,809	50,739	(1,930)	-4%
<b>Profit for the period</b>	47,585	47,247	338	1%
<b>Profit attributable to:</b>				
Owners of the parent	47,491	46,818	673	1%
Non-controlling interests	94	429	(335)	-78%
	47,585	47,247	338	1%

In the current quarter, the Group's revenue increased by 4% to RM416.571 million, up from RM399.676 million in the preceding quarter, largely supported by higher sales volumes.

However, the Group's profit from operations declined to RM6.895 million from RM19.690 million in the previous quarter, primarily due to the downward movement of steel prices, which compressed profit margins, alongside an inventory write-down to net realisable value of RM1.739 million.

Despite this, the Group achieved a profit before tax (PBT) of RM48.809 million for the current quarter, compared to RM50.739 million in the previous quarter. This result was underpinned by a stronger contribution from the upstream joint venture (JV) entity, with its share of profit increasing to RM47.750 million from RM37.706 million, benefiting from favourable foreign exchange translation effects.

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## 18. Prospects

The global steel market continues to face downward pressure, particularly from China, where weak domestic demand, particularly in real estate and manufacturing, is driving increased exports and putting downward pressure on global prices. This dynamic, combined with persistent geopolitical risks and currency fluctuations, continue to create significant volatility in the markets. However, the recent decision by the U.S. Federal Reserve on 18 September 2024 to slash interest rates by half a percentage point marks the start of its first easing campaign in four years, which could help stabilize global economic conditions and support industrial recovery.

In Malaysia, economic growth remains strong, with Q2 2024 GDP rising by 5.9%. The Malaysian Iron and Steel Industry Federation (MISIF) projects steel consumption to grow from 7.9 million metric tons in 2023 to 8.3 million metric tons by 2024. Domestic infrastructure projects, such as the Penang LRT, Subang Airport Regeneration Plan (SARP), MRT3, and Carey Island cargo port, are set to increase steel demand, offering positive prospects for the Group, especially in its scaffolding and manufacturing operations. Additionally, rising investments in data centers are supporting increased construction activities, which further drives steel consumption.

Moreover, the Malaysian government's New Industrial Master Plan 2030 and the Ministry of International Trade and Industry's (MITI) two-year moratorium, effective from August 2023, are expected to boost the local steel industry. The Group is well-positioned to benefit from these developments, particularly with the scheduled completion of the JV's Hot Rolled Coil (HRC) plant in Q4 2024, which will enhance the Group's product offerings in both domestic and export markets.

Operational efficiencies are being bolstered by the enlarged JV's blast furnace operating at over 90% capacity, along with cost savings from its 155MW power plants and coke ovens. However, the prolonged downtrend in steel prices pose a challenge to the trading division's profitability. To mitigate these effects, the Group is focused on streamlining operations and optimizing costs. Despite potential short-term challenges, the Group's downstream manufacturing and scaffolding businesses, together with contributions from the upstream JV, are expected to contribute positively to the overall performance of the Group in the coming quarter.

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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
	31.07.2024	31.07.2023	31.07.2024	31.07.2023
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current year	(188)	246	7,115	5,025
- prior year	(221)	1,490	(642)	1,490
Deferred tax				
- current year	1,816	(6,929)	3,946	(7,799)
- prior year	(183)	(82)	(324)	(82)
	1,224	(5,275)	10,095	(1,366)

The Group's effective tax rate for the current year-to-date was marginally higher than the statutory income tax rate after excluding the share of profit of the joint venture due to losses incurred by certain subsidiaries where no group relief on losses were available.

## 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 31.07.2024	As at 31.07.2023
	RM'000	RM'000
<b>Short-Term Loan</b>		
Bankers' acceptances	317,756	317,787
Promissory notes	50,185	33,153
Post shipment buyer loan	55,710	34,395
Accepted bills	92,788	130,755
Revolving credit	49,062	22,986
	565,501	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 is pleased to propose a First and Final Single-Tier Dividend of 0.50 sen per share for the financial year ended 31 July 2024, subject to shareholders' approval at the forthcoming Annual General Meeting.

## 25. Earnings per share ("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 31.07.2024	Preceding Year Corresponding Quarter 31.07.2023	Current Year To-Date 31.07.2024	Preceding Year Corresponding Period 31.07.2023
Profit attributable to owners of the parent (RM'000)	47,491	42,603	106,311	30,911
Weighted average number of ordinary shares in issue ('000)	1,742,230	1,742,230	1,742,230	1,742,230
<b>Basic earnings per share (sen)</b>	<b>2.73</b>	<b>2.45</b>	<b>6.10</b>	<b>1.77</b>

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 31.07.2024 RM'000	Preceding Year Corresponding Quarter 31.07.2023 RM'000	Current Year-to-date 31.07.2024 RM'000	Preceding Year Corresponding Period 31.07.2023 RM'000
<i>Profit for the period is arrived at after charging:</i>				
Allowance for slow moving stock	331	(1,667)	331	565
Allowance for impairment loss on trade receivables	1,676	1,166	2,280	1,166
Depreciation of property, plant and equipment	5,342	3,881	19,282	13,703
Depreciation of investment properties	71	63	282	255
Depreciation of right-of-use assets	227	227	908	907
Fair value (gain)/loss on foreign exchange derivative	(1,407)	2,086	437	2,086
Finance costs	6,400	6,586	24,584	20,673
Write-down/(Reversal) of inventories to net realisable value	1,739	(8,029)	(2,891)	(6,352)
<i>and after crediting / (charging):</i>				
Gain on disposal of property, plant and equipment	875	506	3,265	5,137
Gain on disposal of investment properties	(2)	-	30	-
Finance income:				
Other investments	13	42	95	268
Deposits with licensed banks	551	512	2,097	2,105
Net foreign exchange gain/(loss)				
Realised	(331)	365	108	1,450
Unrealised	(767)	(559)	(242)	(903)
Net overdue interest income	1,089	281	1,632	945
Rental income	259	256	1,036	985
Share of profit of equity-accounted joint venture, net of tax	47,750	17,138	77,284	44,515

## 27. Authorisation for Issue

The Interim Financial Statements were authorised for issue by the Board of Directors on 26 September 2024.