



安 裕 資 源 有 限 公 司

ANN JOO RESOURCES BERHAD

(Registration No.:199501041948 (371152-U))

(Incorporated in Malaysia)

**ANN JOO RESOURCES BERHAD
AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**



ANN JOO RESOURCES BERHAD

(Registration No.:199501041948 (371152-U))

(Incorporated in Malaysia)

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the three months ended 31 March 2023

	3 months ended		3 months ended	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	670,726	673,214	670,726	673,214
Operating expenses	(703,835)	(627,413)	(703,835)	(627,413)
Other income	10,950	3,863	10,950	3,863
Finance costs	(13,358)	(7,477)	(13,358)	(7,477)
Share of results of associates	(1)	(3)	(1)	(3)
(Loss)/Profit before tax	(35,518)	42,184	(35,518)	42,184
Income tax credit/(expense)	14,164	(9,259)	14,164	(9,259)
(Loss)/Profit for the period	(21,354)	32,925	(21,354)	32,925
Other comprehensive income				
<u>Items that will be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Foreign currency translation differences for foreign operations	126	403	126	403
Cash flow hedges	1,345	9	1,345	9
Other comprehensive income for the period, net of tax	1,471	412	1,471	412
Total comprehensive (loss)/income for the period	(19,883)	33,337	(19,883)	33,337
(Loss)/Profit attributed to:				
Owners of the Company	(21,075)	32,925	(21,075)	32,925
Non-controlling interests	(279)	-	(279)	-
	(21,354)	32,925	(21,354)	32,925
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(19,604)	33,337	(19,604)	33,337
Non-controlling interests	(279)	-	(279)	-
	(19,883)	33,337	(19,883)	33,337
(Loss)/Earnings per share (sen):				
Basic	(3.75)	6.01	(3.75)	6.01
Diluted	(3.26)	5.38	(3.26)	5.38

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**ANN JOO RESOURCES BERHAD**

(Registration No.:199501041948 (371152-U))
(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statements of Financial Position
As at 31 March 2023**

	31.3.2023	31.12.2022
	RM'000	RM'000
		(audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	861,952	861,097
Investment properties	4,490	4,512
Concession assets	67,128	59,033
Intangible assets	9,532	9,532
Investment in associates	258	259
Other investments	1	1
Deferred tax assets	188,709	170,385
Right-of-use assets	9,543	6,116
Total Non-current Assets	1,141,613	1,110,935
Current Assets		
Inventories	849,558	911,344
Trade receivables	529,035	483,271
Other receivables, deposits and prepayments	76,505	72,609
Derivative assets	1,770	-
Current tax assets	10,137	9,776
Cash and bank balances	111,949	133,381
Assets classified as held for sale	235	4,855
Total Current Assets	1,579,189	1,615,236
TOTAL ASSETS	2,720,802	2,726,171
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	645,626	645,626
Redeemable convertible cumulative preference share ("RCPS") - equity component	2,175	2,175
Treasury shares	(55,747)	(55,747)
Other reserves	78,206	75,823
Retained earnings	503,826	524,901
Total equity attributable to owners of the Company	1,174,086	1,192,778
Non-controlling interests	242	521
Total Equity	1,174,328	1,193,299
Non-current Liabilities		
Loans and borrowings	23,745	21,086
Lease liabilities	8,327	5,820
RCPS - liability component	35,208	34,691
Provision for retirement benefits	2,529	2,629
Deferred tax liabilities	14,409	14,371
Total Non-current Liabilities	84,218	78,597
Current Liabilities		
Loans and borrowings	1,166,978	1,208,334
Lease liabilities	1,656	643
Trade payables	209,515	158,981
Other payables, deposits and accruals	78,663	80,583
Derivative liabilities	-	1,544
Current tax liabilities	5,444	4,190
Total Current Liabilities	1,462,256	1,454,275
Total Liabilities	1,546,474	1,532,872
TOTAL EQUITY AND LIABILITIES	2,720,802	2,726,171
Net assets per share attributable to owners of the Company (RM)	2.09	2.12

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**ANN JOO RESOURCES BERHAD**(Registration No.:199501041948 (371152-U))
(Incorporated in Malaysia)**Unaudited Condensed Consolidated Statements of Changes in Equity
For the three months ended 31 March 2023**

	----- Non-distributable -----			----- Distributable -----			Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	RCPS - Equity component RM'000	Other reserves RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable to owners of the Company RM'000		
At 1 January 2023	645,626	2,175	75,823	(55,747)	524,901	1,192,778	521	1,193,299
Loss for the period	-	-	-	-	(21,075)	(21,075)	(279)	(21,354)
Other comprehensive (loss)/income for the period	-	-	1,471	-	-	1,471	-	1,471
Total comprehensive (loss)/income for the period	-	-	1,471	-	(21,075)	(19,604)	(279)	(19,883)
Transactions with owners								
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	912	-	-	912	-	912
At 31 March 2023	645,626	2,175	78,206	(55,747)	503,826	1,174,086	242	1,174,328
At 1 January 2022	617,674	2,663	77,136	(65,634)	691,014	1,322,853	-	1,322,853
Profit for the period	-	-	-	-	32,925	32,925	-	32,925
Other comprehensive income for the period	-	-	412	-	-	412	-	412
Total comprehensive income for the period	-	-	412	-	32,925	33,337	-	33,337
Transactions with owners								
Conversion of RCPS	18,952	(331)	-	-	-	18,621	-	18,621
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	1,370	-	-	1,370	-	1,370
At 31 March 2022	636,626	2,332	78,918	(65,634)	723,939	1,376,181	-	1,376,181

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statements of Cash Flows
 For the three months ended 31 March 2023**

	3 months ended	
	31.3.2023	31.3.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(35,518)	42,184
Adjustments	18,021	25,363
Operating (loss)/profit before working capital changes	(17,497)	67,547
Changes in working capital		
Net change in current assets	11,358	3,697
Net change in current liabilities	49,519	(24,589)
Interest received	972	1,661
Interest paid	(12,739)	(6,857)
Income tax paid	(3,588)	(6,795)
Net cash flows generated from operating activities	28,025	34,664
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	309	114
Proceeds from disposal of property, plant and equipment	-	3
Proceeds from disposal of investment properties	12,440	-
Purchase of property, plant and equipment	(14,702)	(3,536)
Addition in concession assets	(8,095)	-
Net cash flows used in investing activities	(10,048)	(3,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of bank borrowings	(38,920)	(12,740)
Net repayment of lease liabilities	(490)	(459)
Proceeds from the conversion of RCPS	-	13,687
Interest paid	(4)	(1)
Withdrawal of fixed deposit pledged with licensed banks	496	-
Net cash flows (used in)/generated from financing activities	(38,918)	487
Net change in cash and cash equivalents	(20,941)	31,732
Effects of foreign exchanges rate changes	5	308
Cash and cash equivalents at beginning of period	121,021	65,098
Cash and cash equivalents at end of period	100,085	97,138

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise:

	3 months ended	
	31.3.2023	31.3.2022
	RM'000	RM'000
Cash and bank balances	111,949	97,138
Less: Fixed deposit pledged with licensed banks	(11,864)	-
	100,085	97,138

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

1 BASIS OF PREPARATION

The condensed consolidated interim financial statements (“interim financial statements”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. 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 December 2022.

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in audited financial statements for the financial year ended 31 December 2022, except for the following amendments to MFRSs which are applicable to its financial statements:

1.1 Adoption of new or amendments to MFRS

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group and the Company adopted amendments to MFRS as follows:

Effective for annual financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)
Amendments to MFRS 17 – Insurance Contracts	Initial Application of MFRS 17 and MFRS 9 – Comparative Information

The adoption of these amendments to MFRS did not result in significant changes in the accounting policies of the Group and of the Company and have no significant effect on the financial performance or position of the Group and of the Company.

1.2 New MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of these interim financial statements, the following new MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

1 BASIS OF PREPARATION (CONTINUED)

1.2 New MFRSs and Amendments to MFRSs issued but not yet effective (Continued)

Effective for annual financial periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

Deferred to a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group anticipates that the abovementioned new MFRS and amendments to MFRS will be adopted in the annual financial statements of the Group and of the Company when they become effective.

2 SEASONALITY OR CYCLICALITY OF OPERATIONS

Except for festive seasons when activities slow down, the pace of the Group's business generally moves in tandem with the performance of the economy.

3 NATURE AND AMOUNT OF UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the three months ended 31 March 2023.

4 NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no major changes in estimates that have had any material effect for the three months ended 31 March 2023.

5 DEBT AND EQUITY SECURITIES

As at 31 March 2023, out of a total 578,583,543 issued ordinary shares, 17,234,400 shares were held as treasury shares at an average price of RM3.23 per share.

There were no issuances, cancellations, resale or repayment of debt and equity securities during the three months ended 31 March 2023.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

6 DIVIDENDS PAID

There were no dividend paid during the quarter under review (1Q2022: Nil).

7 LOSS BEFORE TAX

	3 months ended 31.03.2023 RM'000
Loss before tax is arrived at after charging/(crediting):	
(Reversal)/Allowance for inventories write down	32
Depreciation and amortisation	14,355
Finance cost	
- Interest expenses	12,743
- RCPS unwinding of discount	517
- Lease Liabilities	98
Foreign exchange gain	
- Realised	(781)
- Unrealised	(556)
LTIP share-based payment expenses	912
Overhead cost on plant temporary shutdown	953
Property, plant, and equipment written off	2
Reversal of impairment loss on receivables	(1,011)
Gain on disposal of investment properties	(7,820)
Interest income	(1,281)

8 MATERIAL EVENTS SUBSEQUENT TO THE END OF CURRENT QUARTER

There has not arisen in the interval between the end of the quarter under review and the date of this report, any item, transaction, or event of a material and unusual nature likely in the opinion of the Board of Directors to affect substantially the results of the operations of the Group for the current quarter in respect of which this announcement is made.

9 CHANGES IN THE COMPOSITION OF THE GROUP

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

10 CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last annual reporting date.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

11 CAPITAL EXPENDITURE COMMITMENTS

The capital expenditure commitments of the Group as at 31 March 2023 were as follows:

	<u>RM'000</u>
Property, plant and equipment	
(a) contracted but not provided for	21,749
(b) approved but not contracted for	<u>12,203</u>
	<u>33,952</u>
Concession assets	
(a) contracted but not provided for	<u>40,422</u>
Total	<u><u>74,374</u></u>

12 REVIEW OF PERFORMANCE

	<u>3 months ended</u>		<u>Changes</u>
	<u>31.3.2023</u>	<u>31.3.2022</u>	<u>(%)</u>
	<u>RM'000</u>	<u>RM'000</u>	
Revenue			
Upstream Steel Division	475,226	501,727	(5.3)
Downstream Steel Division	346,696	271,018	27.9
Green Technology Division	226	-	100
Investment holding, property management and others	7,366	7,599	(3.1)
Adjustments and elimination	(158,788)	(107,130)	(48.2)
Group revenue	<u>670,726</u>	<u>673,214</u>	(0.4)
Segment results			
Upstream Steel Division	(49,657)	26,094	(>100)
Downstream Steel Division	20,853	20,336	2.5
Green Technology Division	(732)	-	(>100)
Investment holding, property management and others	8,209	1,423	>100
Adjustments and elimination	(2,113)	36	(>100)
	(23,440)	47,889	(>100)
Finance costs	(13,358)	(7,477)	(78.7)
Interest income	1,281	1,775	(27.8)
Share of results of associates	(1)	(3)	66.7
(Loss)/Profit before tax	<u>(35,518)</u>	<u>42,184</u>	(>100)



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

12 REVIEW OF PERFORMANCE (CONTINUED)

Lower revenue in the first quarter of 2023 (“1Q2023”) compared to the corresponding quarter of the preceding year (“1Q2022”) was mainly due to lower export tonnage and selling prices of various steel products.

In 1Q2023, the Group reported a loss before tax of RM35.52 million compared to a profit before tax of RM42.18 million in 1Q2022, primarily attributed to lower selling price coupled with higher cost of sales attributable to higher inventory cost.

13 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	3 months ended	
	31.3.2023	31.12.2022
	RM'000	RM'000
Revenue	670,726	795,036
Loss before tax	(35,518)	(93,022)

Lower revenue in 1Q2023 compared to the fourth quarter of 2022 (“4Q2022”) was mainly due to lower export tonnage despite higher selling prices of various steel products.

1Q2023 loss before tax narrowed to RM35.52 million from RM93.02 million in 4Q2022, mainly due to higher selling price that led to an improved performance despite lower export. Higher steel price was boosted by positive market sentiment following China’s reopening in the first quarter of 2023.

In addition to a RM7.82 million one-off gain on disposal of investment properties in 1Q2023, the Group also incurred lower plant shutdown cost by RM13.03 million (1Q2023: RM0.95 million vs. 4Q2022: RM13.98 million) in relation to plant shut down for maintenance and upgrading activities.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023**14 SEGMENTAL INFORMATION****14.1 Business Segments**

The segmental revenue, results, assets and liabilities for the three months ended 31 March 2023 were as follows:

	Upstream Steel Division RM'000	Downstream Steel Division RM'000	Green Technology Division RM'000	Investment Holding, Property Management and others RM'000	Adjustments and elimination RM'000	Total RM'000
REVENUE						
External customers	323,101	346,366	226	1,033	-	670,726
Inter-segment	152,125	330	-	6,333	(158,788)	-
	<u>475,226</u>	<u>346,696</u>	<u>226</u>	<u>7,366</u>	<u>(158,788)</u>	<u>670,726</u>
RESULTS						
Segment (loss)/profit	(49,657)	20,853	(732)	8,209	(2,113)	(23,440)
Finance costs						(13,358)
Interest income						1,281
Share of results of associates						(1)
Loss before tax						(35,518)
Income tax credit						14,164
Loss for the period						<u>(21,354)</u>
Segment assets	<u>1,724,608</u>	<u>1,095,986</u>	<u>108,452</u>	<u>172,607</u>	<u>(380,851)</u>	<u>2,720,802</u>
Segment liabilities	<u>1,021,637</u>	<u>708,698</u>	<u>73,766</u>	<u>158,624</u>	<u>(416,251)</u>	<u>1,546,474</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023**14 SEGMENTAL INFORMATION (CONTINUED)****14.2 Geographical Segments**

The Group operates in two principal geographical areas – Malaysia (country of domicile) and Singapore.

In presenting information on the basis of geographical segments, segmental revenue from external customers is based on revenue by location of operations. Segmental assets are based on the geographical location of the non-current assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	3 months ended 31.3.2023 RM'000
Revenue from external customers	
Malaysia	610,272
Singapore	60,454
	<u>670,726</u>
Non-current assets	
Malaysia	948,561
Singapore	4,343
	<u>952,904</u>

15 PROSPECTS

Despite the rebound in steel prices following China's reopening in 1Q2023, steel market remains highly volatile and uncertain in the wake of sudden price corrections since April 2023. The outlook of the global steel market is clouded by bearish sentiment, as global recession fears and supply-demand imbalance in China are expected to stymie demand recovery momentum.

Steel demand growth is further restrained by the uncertain recovery of China's steel market, which has been affected by shrinking orders for manufactured goods from overseas, lacklustre domestic consumption and a further slowdown in property investment. China's fast-rising steel production combined with poor end-user demand recovery, continues to pressure steel prices and industry profit margins.

The domestic steel market is not immune to volatility, with global economic uncertainty influencing steel pricing and demand, lackluster rollout of mega infrastructure projects continues to weigh on demand for construction steel. The industry's profitability is also negatively impacted by higher operational costs brought on by rising interest rates and electricity costs.

Given the challenging market dynamics, the Group continues to place strong emphasis on balance sheet and cash flow management, in order to stay vigilant and navigate through this volatile and challenging period.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

16 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial period ended 31 March 2023.

17 INCOME TAX

The income tax (credit)/expense comprises:

	3 months ended 31.03.2023 RM'000
Recognised in comprehensive income:	
Income tax	
Current period	4,548
Overprovision in prior year	-
Deferred tax	
Current period	(18,712)
(Over)/Underprovision in prior year	-
	<hr/>
	(14,164)
Recognised in other comprehensive income:	
Deferred tax	
Current period	425
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	(13,739)

A tax credit of RM13.74 million was due mainly to deferred tax credit recognised from the business loss for the current quarter and recognition of tax incentive by certain subsidiary companies.

18 STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of this report.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

19 GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings and debts securities as at 31 March 2023 were as follows:

a) Loans and borrowings

	31.03.2023 RM'000	31.12.2022 RM'000
<u>Current</u>		
Secured:		
Term loan	11,778	4,027
Obligations under finance leases	314	338
Unsecured:		
Bills payable	1,102,883	1,118,778
Foreign currency trade finance	52,003	85,191
	1,166,978	1,208,334
<u>Non-Current</u>		
Secured:		
Term loan	22,861	20,124
Obligations under finance leases	884	962
	23,745	21,086
	1,190,723	1,229,420

The foreign currency profile of the bank borrowings was as follows:

	31.3.2023		31.12.2022	
	USD denomination ('000)	RM equivalent ('000)	USD denomination ('000)	RM equivalent ('000)
<u>Current</u>				
Unsecured:				
Foreign currency trade finance	11,751	52,003	19,339	85,191
	11,751 52,003		19,339 85,191	

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023**19 GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)**

The Group's borrowings and debts securities as at 31 March 2023 were as follows (continued):

b) Debts securities – RCPS

		31.03.2023
	No of RCPS (‘000)	Amount RM’000
At the beginning of financial year	69,264	36,866
Less: Converted during the period	-	-
Add: Unwinding of discount charged to profit or loss	-	517
Less: Dividend paid	-	-
At the end of financial period	<u>69,264</u>	<u>37,383</u>
Liability component		35,208
Equity component		<u>2,175</u>
		<u>37,383</u>

20 FINANCIAL INSTRUMENTS

The Group's outstanding derivatives as at 31 March 2023 were as follows:

<u>31 March 2023</u>	Notional Value RM’000	Fair Value RM’000	Net Gain RM’000
Foreign currency forward contract	65,588	67,358	1,770

There is no change to the Group's financial risk management policies in managing these derivatives, its related accounting policies and the market risk associated with these derivatives since the last financial year.

21 MATERIAL LITIGATIONS**In the High Court of Malaya at Kuala Lumpur (Civil Division) Suit No. WA-22NCVC-303-06/2017 between Amsteel Mills Sdn Bhd (“Amsteel”) (Plaintiff) and Ann Joo Steel Berhad (“AJSB”) (Defendant)**

On 21 June 2017, AJSB was served with a Writ and Statement of Claim from Amsteel for claims arising from alleged wrongful termination of Contract and its Addendum by AJSB. The parties have since exchanged pleadings. There was also a discovery application filed by Amsteel, which has since been disposed of, where the matter was litigated up to the Federal Court.

At present, the matter is fixed for trial from 1 to 4 and 11 August 2023. The parties are presently preparing for trial and working towards complying with the Court's pre-trial directions.



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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

22 PROPOSED DIVIDEND

22.1 Ordinary shares

The Board of Directors (the “Board”) does not recommend any dividend for the current quarter ended 31 March 2023 (1Q2022: Nil).

22.2 Redeemable Convertible Cumulative Preference Shares (“RCPS”)

On 29 May 2023, the Board approved and declared a first semi-annual dividend of 1.25 sen (2022: 1.25 sen) per RCPS in respect of the financial year ending 31 December 2023. This dividend will be paid on 28 June 2023 to the Depositors registered in the Record of Depositors at the close of business on 16 June 2023.

23 LOSS PER ORDINARY SHARE (“LPS”)

a) Basic LPS

The basic LPS is calculated by dividing the loss attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) during the three months ended 31 March 2023 as set out below:

		3 months ended 31.03.2023
Loss attributable to owners of the Company	(RM'000)	(21,075)
Weighted average number of ordinary shares in issue	('000)	561,349
Basic LPS	(sen)	<u>(3.75)</u>



ANN JOO RESOURCES BERHAD

(Registration No.:199501041948 (371152-U))

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2023

23 LOSS PER ORDINARY SHARE (“LPS”)

b) Diluted LPS

The diluted LPS is calculated by dividing the loss attributable to owners of the Company for the period by the weighted average number of ordinary shares of the Company in issue (excluding treasury shares) during the three months ended 31 March 2023, adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable have been arrived at based on the assumption of full conversion of the remaining RCPS in issue into ordinary shares as at the reporting date.

		3 months ended 31.03.2023
Loss attributable to owners of the Company	(RM'000)	(21,075)
Effects on earnings upon conversion of RCPS	(RM'000)	517
	(RM'000)	<u>(20,558)</u>
Weighted average number of ordinary shares in issue	('000)	561,349
Effect of dilution from the full conversion of the remaining RCPS in issue	('000)	69,264
Weighted average number of ordinary shares in issue and issuable (Diluted)	('000)	<u>630,613</u>
Diluted LPS	(sen)	<u>(3.26)</u>

24 STATUS OF AUDIT QUALIFICATION

There was no audit qualification on the audit report of the preceding annual financial statements.

25 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2023.

By Order of the Board

Lim Kam Choy (MIA 13106)(SSM PC No. 201908002518)

Wong Youn Kim (MAICSA 2018778)(SSM PC No. 201908004103)

Company Secretaries

29 May 2023

Selangor Darul Ehsan