



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 AND YEAR ENDED 31 DECEMBER 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 quarter and twelve months ended 31 December 2023

	3 months ended		12 months ended	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Revenue	606,251	795,036	2,509,260	3,034,972
Operating expenses	(630,371)	(878,725)	(2,632,179)	(3,239,991)
Other income	99,754	2,543	122,160	39,054
Finance costs	(17,159)	(11,873)	(62,576)	(37,313)
Share of results of associates	(10)	(3)	(11)	(12)
Profit/(Loss) before tax	58,465	(93,022)	(63,346)	(203,290)
Income tax credit	11,619	26,579	56,172	70,149
<b>Profit/(Loss) for the period/year</b>	<b>70,084</b>	<b>(66,443)</b>	<b>(7,174)</b>	<b>(133,141)</b>
<b>Other comprehensive income</b>				
<b><u>Items that will be reclassified</u></b>				
<b><u>subsequently to profit or loss:</u></b>				
Foreign currency translation differences for foreign operations	(2,052)	(2,969)	3,255	3,095
Cash flow hedges	3,920	798	1,305	-
Other comprehensive income/(loss) for the period/year, net of tax	1,868	(2,171)	4,560	3,095
<b>Total comprehensive income/(loss) for the period/year</b>	<b>71,952</b>	<b>(68,614)</b>	<b>(2,614)</b>	<b>(130,046)</b>
<b>Profit/(Loss) attributed to:</b>				
Owners of the Company	73,937	(66,164)	(2,185)	(132,631)
Non-controlling interests	(3,853)	(279)	(4,989)	(510)
	<b>70,084</b>	<b>(66,443)</b>	<b>(7,174)</b>	<b>(133,141)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	75,805	(68,335)	2,375	(129,536)
Non-controlling interests	(3,853)	(279)	(4,989)	(510)
	<b>71,952</b>	<b>(68,614)</b>	<b>(2,614)</b>	<b>(130,046)</b>
<b>Earning/(Loss) per share (sen):</b>				
Basic	13.17	(11.79)	(0.39)	(23.75)
Diluted/Anti-Diluted	11.81	(10.41)	(0.02)	(20.81)

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 December 2023**

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,189,654	861,097
Investment properties	4,422	4,512
Concession assets	91,845	59,033
Intangible assets	9,532	9,532
Investment in associates	48	259
Other investments	1	1
Deferred tax assets	235,798	170,385
Right-of-use assets	8,503	6,116
<b>Total Non-current Assets</b>	<b>1,539,803</b>	<b>1,110,935</b>
<b>Current Assets</b>		
Inventories	970,264	911,344
Trade receivables	454,275	483,271
Other receivables, deposits and prepayments	89,996	72,609
Derivative assets	1,820	-
Current tax assets	10,078	9,776
Cash and bank balances	92,751	133,381
Assets classified as held for sale	-	4,855
<b>Total Current Assets</b>	<b>1,619,184</b>	<b>1,615,236</b>
<b>TOTAL ASSETS</b>	<b>3,158,987</b>	<b>2,726,171</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	645,626	645,626
Redeemable convertible cumulative preference share ("RCPS") - equity component	2,175	2,175
Treasury shares	(55,664)	(55,747)
Other reserves	84,073	75,823
Retained earnings	522,716	524,901
Total equity attributable to owners of the Company	1,198,926	1,192,778
Non-controlling interests	88,260	521
<b>Total Equity</b>	<b>1,287,186</b>	<b>1,193,299</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	162,234	21,086
Lease liabilities	7,197	5,820
RCPS - liability component	-	34,691
Provision for retirement benefits	2,445	2,629
Deferred tax liabilities	32,923	14,371
<b>Total Non-current Liabilities</b>	<b>204,799</b>	<b>78,597</b>
<b>Current Liabilities</b>		
Loans and borrowings	1,293,910	1,208,334
Lease liabilities	1,907	643
Trade payables	222,139	158,981
Other payables, deposits and accruals	111,028	80,583
Derivative liabilities	102	1,544
Current tax liabilities	2,879	4,190
RCPS - liability component	35,037	-
<b>Total Current Liabilities</b>	<b>1,667,002</b>	<b>1,454,275</b>
<b>Total Liabilities</b>	<b>1,871,801</b>	<b>1,532,872</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,158,987</b>	<b>2,726,171</b>
Net assets per share attributable to owners of the Company (RM)	2.14	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 twelve months ended 31 December 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		
<b>At 1 January 2023</b>	645,626	2,175	75,823	(55,747)	524,901	1,192,778	521	1,193,299
Loss for the year	-	-	-	-	(2,185)	(2,185)	(4,989)	(7,174)
Other comprehensive income for the year	-	-	4,560	-	-	4,560	-	4,560
Total comprehensive income/(loss) for the year	-	-	4,560	-	(2,185)	2,375	(4,989)	(2,614)
<b>Transactions with owners</b>								
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	3,773	-	-	3,773	-	3,773
- Shares transferred	-	-	(83)	83	-	-	-	-
Subscription of shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	490	490
Gain on bargain purchase of a subsidiary	-	-	-	-	-	-	92,238	92,238
<b>At 31 December 2023</b>	645,626	2,175	84,073	(55,664)	522,716	1,198,926	88,260	1,287,186
<b>At 1 January 2022</b>	617,674	2,663	77,136	(65,634)	691,014	1,322,853	-	1,322,853
Loss for the year	-	-	-	-	(132,631)	(132,631)	(510)	(133,141)
Other comprehensive income for the year	-	-	3,095	-	-	3,095	-	3,095
Total comprehensive income/(loss) for the year	-	-	3,095	-	(132,631)	(129,536)	(510)	(130,046)
<b>Transactions with owners</b>								
Dividends to owners of the Company	-	-	-	-	(33,496)	(33,496)	-	(33,496)
Conversion of RCPS	27,952	(488)	-	-	-	27,464	-	27,464
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	5,479	-	-	5,479	-	5,479
- Share transferred	-	-	(9,887)	9,887	-	-	-	-
Dilution of equity interest in a subsidiary	-	-	-	-	14	14	(14)	-
Subscription of shares by non-controlling interest in a subsidiary	-	-	-	-	-	-	1,143	1,143
Acquisition of a subsidiary	-	-	-	-	-	-	(98)	(98)
<b>At 31 December 2022</b>	645,626	2,175	75,823	(55,747)	524,901	1,192,778	521	1,193,299

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.

**ANN JOO RESOURCES BERHAD**(Registration No.:199501041948 (371152-U))  
(Incorporated in Malaysia)**Unaudited Condensed Consolidated Statements of Cash Flows  
For the twelve months ended 31 December 2023**

	<b>12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b> <b>(audited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(63,346)	(203,290)
Adjustments	(42,413)	138,327
Operating loss before working capital changes	(105,759)	(64,963)
Changes in working capital		
Net change in current assets	11,432	96,330
Net change in current liabilities	32,377	(31,892)
Interest received	6,452	4,164
Interest paid	(55,272)	(34,923)
Income tax paid	(11,366)	(19,305)
Retirement benefits paid	(717)	(2,955)
Net cash flows used in operating activities	(122,853)	(53,544)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash outflow from acquisition of a subsidiary	(24,934)	(12,590)
Acquisition of a solar energy business	-	(2,343)
Interest received	1,502	664
Proceeds from disposal of property, plant and equipment	5,939	631
Proceeds from disposal of investment properties	12,940	-
Subscription of shares by non-controlling interests in subsidiaries	490	1,143
Purchase of property, plant and equipment	(32,763)	(52,587)
Addition in concession assets	(32,812)	(5,242)
Net cash flows used in investing activities	(69,638)	(70,324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of bank borrowings	156,622	190,641
Net repayment of lease liabilities	(2,156)	(1,816)
Proceeds from the conversion of RCPS	-	20,187
Interest paid	(4,739)	(12)
Dividends paid to owners of the Company	-	(33,496)
Dividends paid to holders of RCPS	(1,732)	(1,732)
Withdrawal of fixed deposit pledged with licensed banks	1,268	530
Net cash flows generated from financing activities	149,263	174,302
Net change in cash and cash equivalents	(43,228)	50,434
Effects of foreign exchanges rate changes	3,866	5,489
Cash and cash equivalents at beginning of year	121,021	65,098
Cash and cash equivalents at end of year	81,659	121,021

**Cash and cash equivalents**

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

	<b>12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	92,751	133,381
Less: Fixed deposit pledged with licensed banks	(11,092)	(12,360)
	81,659	121,021

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 QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023**

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**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 QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

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### 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

Save for the gain on bargain purchase of a subsidiary amounting to RM87.73 million, as disclosed in Note 7, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the quarter and year ended 31 December 2023.

### 4 NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no major changes in estimates since the last audited financial statement that have any material effect for the quarter and twelve months ended 31 December 2023.

### 5 DEBT AND EQUITY SECURITIES

As at 31 December 2023, out of a total 578,583,543 issued ordinary shares, 17,208,400 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 quarter ended 31 December 2023.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023****6 DIVIDENDS PAID**

The following dividends were paid during the current and previous corresponding financial period:

	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>First semi-annual RCPS dividend</b>		
For the financial year ended	31 December 2023	31 December 2022
Approved and declared on	29 May 2023	27 May 2022
Entitlement date	16 June 2023	16 June 2022
Date of payment	28 June 2023	28 June 2022
Dividend per share	1.25 sen	1.25 sen
Net dividend (RM'000)	866	866
<b>Second semi-annual RCPS dividend</b>		
For the financial year ended	31 December 2023	31 December 2022
Approved and declared on	27 November 2023	28 November 2022
Entitlement date	15 December 2023	15 December 2022
Date of payment	3 January 2024	30 December 2022
Dividend per share	1.25 sen	1.25 sen
Net dividend (RM'000)	866	866

**7 PROFIT/(LOSS) BEFORE TAX**

	<b>3 months ended</b>	<b>12 months ended</b>
	<b>31.12.2023</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(Loss) before tax is arrived at after charging/(crediting):</b>		
Reversal of allowance for inventories write down	(30,942)	(51,129)
Depreciation and amortisation	19,614	63,274
Finance cost		
- Interest expenses	16,499	60,011
- RCPS unwinding of discount	522	2,078
- Lease liabilities	138	487
Foreign exchange loss/(gain)		
- Realised	(4,209)	(3,005)
- Unrealised	496	(2,708)
Gain on bargain purchase of a subsidiary	(87,734)	(87,734)
Loss/(Gain) on disposal of property, plant and equipment	4	(4,930)
Gain on disposal of investment properties	-	(8,084)
Interest income	(4,334)	(7,954)
Overhead cost on plant temporary shutdown	14,331	23,834
Property, plant, and equipment written off	-	2
Reversal of impairment loss on receivables	(583)	(3,557)
(Reversal)/Impairment loss on property, plant and equipment	79	(584)





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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

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### 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

- (a) On 21 June 2023, the Company announced that Konsortia Etiqa Sdn Bhd, a 55% indirect subsidiary of the Company, had acquired 102,000 ordinary shares in Perfect Channel Sdn Bhd (“PCSB”) and subscribed for 100,000,000 new ordinary shares in PCSB for a total cash consideration of RM10,100,000. PCSB becomes a 99.9% subsidiary of the Group and is principally engaged in the manufacturing of hard drawn wires, galvanised steel wires and other wire products.
- (b) On 21 November 2023, Ann Joo Green Energy Sdn Bhd (“AJGE”), an indirect wholly owned subsidiary of the Company, subscribed 390 ordinary shares of RM1.00 per share in JANS Solar Holdings Sdn Bhd (“JANS Solar”), representing an equity interest of 39% in JANS Solar. AJGE, via a consortium with its partners, JAKS Solar Power Sdn Bhd and Fabulous Sunview Sdn Bhd, was selected as a successful solar power producer with a capacity of 29.99MW under the Corporate Green Power Programme on 7 August 2023 (“Joint Venture Project”). JANS Solar was established as the holding company to undertake the Joint Venture Project.

Save as disclosed above, there were no other changes in the composition of the Group during the financial year 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.

### 11 CAPITAL EXPENDITURE COMMITMENTS

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

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
(a) contracted but not provided for	17,654
(b) approved but not contracted for	8,428
	<u>26,082</u>
<b>Concession assets</b>	
(a) contracted but not provided for	<u>35,039</u>
<b>Total</b>	<u><u>61,121</u></u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023****12 REVIEW OF PERFORMANCE**

	3 months ended		12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Upstream Steel Division	441,838	605,631	1,805,059	2,250,637
Downstream Steel Division	287,196	311,551	1,231,065	1,220,292
Green Technology Division	10,448	549	22,688	636
Investment holding, property management and others	8,222	10,033	31,390	32,791
Adjustments and elimination	(141,453)	(132,728)	(580,942)	(469,384)
<b>Group revenue</b>	<b>606,251</b>	<b>795,036</b>	<b>2,509,260</b>	<b>3,034,972</b>
<b>Segment results</b>				
Upstream Steel Division	(13,069)	(99,726)	(143,442)	(229,178)
Downstream Steel Division	4,544	12,285	43,696	52,663
Green Technology Division	(812)	(815)	(2,208)	(1,465)
Investment holding, property management and others	522,900	10,555	536,642	13,823
Adjustments and elimination	(442,263)	(4,436)	(443,401)	(6,707)
	71,300	(82,137)	(8,713)	(170,864)
Finance costs	(17,159)	(11,873)	(62,576)	(37,313)
Interest income	4,334	991	7,954	4,899
Share of results of associates	(10)	(3)	(11)	(12)
<b>Profit/(Loss) before tax</b>	<b>58,465</b>	<b>(93,022)</b>	<b>(63,346)</b>	<b>(203,290)</b>



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

### 12 REVIEW OF PERFORMANCE (CONTINUED)

The overall decrease in the Upstream and Downstream Steel Divisions' revenue for the fourth quarter of 2023 ("4Q2023") as well as for the financial year 2023 ("FY2023") when compared to the fourth quarter of 2022 ("4Q2022") and financial year 2022 ("FY2022") was primarily attributed to lower sales tonnage of various steel products.

Green Technology division registered a revenue of RM10.45 million in 4Q2023 compared to RM0.55 million in 4Q2022, on commencement of waste management business in 2023.

The Group's profit before tax ("PBT") in 4Q2023 and loss before tax ("LBT") in FY2023 was RM58.47 million and RM63.35 million respectively compared to LBT of RM93.02 million and RM203.29 million in 4Q2022 and FY2022 respectively. The PBT in 4Q23 was mainly due to the recognition of RM87.73 million relating to a gain on bargain purchase from acquisition of a subsidiary. The better performance was also due to lower cost of sales on gradual normalisation of high raw materials cost experienced in the past years.

### 13 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	3 months ended		Changes (%)
	31.12.2023 RM'000	30.9.2023 RM'000	
Revenue	606,251	638,640	(5.1)
Profit/(Loss) before tax	58,465	(77,756)	>100%

Lower revenue in 4Q2023 compared to the third quarter of 2023 ("3Q2023") was primarily caused by lower overall sales tonnage in the Upstream and Downstream Steel Divisions.

However, 4Q2023 recorded a PBT of RM58.47 million from LBT of RM77.76 million in 3Q2023, owing primarily to the recognition of RM87.73 million relating to a gain on bargain purchase from acquisition of a subsidiary. The better performance was also due to improved operating margin coupled with higher reversal of allowance for inventories write down of RM30.94 million in 4Q2023, compared to RM5.64 million in 3Q2023. This was despite a higher overhead cost on plant temporary shutdown of RM14.33 million in 4Q2023 compared to RM8.35 million in 3Q2023.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023**

**14 SEGMENTAL INFORMATION**

**14.1 Business Segments**

The segmental revenue, results, assets and liabilities for the twelve months ended 31 December 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
<b>REVENUE</b>						
External customers	1,253,314	1,228,718	22,688	4,540	-	2,509,260
Inter-segment	551,745	2,347	-	26,850	(580,942)	-
	<u>1,805,059</u>	<u>1,231,065</u>	<u>22,688</u>	<u>31,390</u>	<u>(580,942)</u>	<u>2,509,260</u>
<b>RESULTS</b>						
Segment (loss)/profit	(143,442)	43,696	(2,208)	536,642	(443,401)	(8,713)
Finance costs						(62,576)
Interest income						7,954
Share of result of associates						(11)
Loss before tax						<u>(63,346)</u>
Income tax credit						<u>56,172</u>
Loss for the year						<u>(7,174)</u>
Segment assets	<u>1,766,997</u>	<u>966,142</u>	<u>141,819</u>	<u>599,117</u>	<u>(315,088)</u>	<u>3,158,987</u>
Segment liabilities	<u>1,143,385</u>	<u>562,218</u>	<u>107,626</u>	<u>409,792</u>	<u>(351,220)</u>	<u>1,871,801</u>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 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.

	<b>12 months ended 31.12.2023 RM'000</b>
<b>Revenue from external customers</b>	
Malaysia	2,281,717
Singapore	227,543
	<u>2,509,260</u>
	<b>As at 31.12.2023 RM'000</b>
<b>Non-current assets</b>	
Malaysia	1,300,561
Singapore	3,444
	<u>1,304,005</u>

**15 PROSPECTS**

The global outlook for steel industry in 2024 is expected to be broadly balanced and marginally improved, with steel demand likely to continue its 2023 growth momentum. Manufacturing, automotive, and infrastructure, particularly those associated with the energy transition, are anticipated to remain the significant drivers of steel demand. However, high interest rates are likely to have a detrimental effect on the property and construction sectors, affecting demand for construction steel. In China, the steel market outlook will remain cautious, as the recovery in steel demand is expected to be constrained by the country's property debt crisis, sluggish consumer spending and growing steel overcapacity.

Domestically, MITI appointed an Independent and Special Committee for Malaysia's iron and steel industry following the implementation of a two-year moratorium. This strategic move by the government will allow for reassessments to address the issues facing by the local iron and steel industry, as well as support the industry in achieving carbon neutrality objectives and realigning its direction with the aspirations of the New Industrial Master Plan 2030 for sustainable growth.

Given the challenging business environment, the Group remains committed to maintaining effective balance sheet and cash flow management in order to stay vigilant and navigate through this turbulent and demanding period.



# ANN JOO RESOURCES BERHAD

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

(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

### 16 VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

### 17 INCOME TAX

The income tax (credit)/expense comprises:

	<b>3 months ended</b>	<b>12 months ended</b>
	<b>31.12.2023</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Recognised in comprehensive income:</b>		
<b>Income tax</b>		
Current period/year	1,627	9,470
Underprovision in prior years	-	86
<b>Deferred tax</b>		
Current period/year	(13,246)	(65,335)
(Overprovision) in prior years	-	(393)
	<u>(11,619)</u>	<u>(56,172)</u>
<b>Recognised in other comprehensive income:</b>		
<b>Deferred tax</b>		
Current period/year	1,238	412
	<u>(10,381)</u>	<u>(55,760)</u>

A tax credit of RM11.62 million and RM56.17 million for the 4Q2023 and FY2023 respectively were due mainly to deferred tax credit recognised from the business loss 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 QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

### 19 GROUP BORROWINGS AND DEBT SECURITIES

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

#### a) Loans and borrowings

	31.12.2023 RM'000	31.12.2022 RM'000
<b><u>Current</u></b>		
<b>Secured:</b>		
Term loans	29,214	4,027
Obligations under finance leases	383	338
<b>Unsecured:</b>		
Bills payable	1,049,576	1,118,778
Foreign currency trade finance	214,737	85,191
	1,293,910	1,208,334
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Non-Current</u></b>		
<b>Secured:</b>		
Term loans	161,193	20,124
Obligations under finance leases	1,041	962
	162,234	21,086
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total</b>	1,456,144	1,229,420

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

	31.12.2023		31.12.2022	
	Foreign currency ( '000)	RM equivalent ( '000)	Foreign currency ( '000)	RM equivalent ( '000)
<b><u>Current</u></b>				
<b>Unsecured:</b>				
Foreign currency trade finance :				
- USD	38,840	180,097	19,339	85,191
- SGD	9,870	34,640	-	-
		214,737		85,191



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

### 19 GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)

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

#### b) Debts securities – RCPS

		<b>31.12.2023</b>
	<b>No of RCPS (‘000)</b>	<b>Amount RM’000</b>
At the beginning of financial year	69,264	36,866
Less: Converted during the year	-	-
Add: Unwinding of discount charged to profit or loss	-	2,078
Less: Dividend paid	-	(1,732)
At the end of financial period	<u>69,264</u>	<u>37,212</u>
Liability component		35,037
Equity component		<u>2,175</u>
		<u>37,212</u>

### 20 FINANCIAL INSTRUMENTS

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

<u>31 December 2023</u>	<b>Notional Value RM’000</b>	<b>Fair Value RM’000</b>	<b>Net Gain RM’000</b>
Foreign currency forward contract	168,222	169,939	1,717

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.





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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

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### 21 MATERIAL LITIGATIONS (CONTINUED)

The trial dates were fixed for 1 to 4 and 11 August 2023. The pre-trial documents and witness statements were filed by the parties and the matter proceeded for trial on 1 to 3 August 2023 and 11 August 2023. The trial date of 4 August 2023 was vacated by the Court. Trial concluded on 11 August 2023 and the Court directed the filing and exchange of written submissions and reply submissions, with an oral hearing initially fixed on 1 March 2024. On 16 February 2024, the Court vacated the oral hearing of 1 March 2024 and rescheduled the oral hearing to 10 July 2024.

### 22 PROPOSED DIVIDEND

#### 22.1 Ordinary shares

The Board of Directors (the “Board”) does not recommend any dividend for the current quarter ended 31 December 2023 (4Q2022: Nil).

### 23 EARNINGS/(LOSS) PER ORDINARY SHARE (“EPS”/“(LPS)”)

#### a) Basic EPS/(LPS)

The basic EPS/(LPS) is calculated by dividing the profit/(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 quarter and twelve months ended 31 December 2023 as set out below:

		<b>3 months ended 31.12.2023</b>	<b>12 months ended 31.12.2023</b>
Total profit/(loss) attributable to owners of the Company	(RM'000)	73,937	(2,185)
Weighted average number of ordinary shares in issue	('000)	561,375	561,364
Basic EPS/(LPS)	(sen)	<u>13.17</u>	<u>(0.39)</u>



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023

### 23 EARNINGS/(LOSS) PER ORDINARY SHARE (“EPS”/“(LPS)”) (CONTINUED)

#### b) Diluted/Anti-Diluted EPS/(LPS)

The diluted/anti-diluted EPS/(LPS) is calculated by dividing the profit/(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 quarter and twelve months ended 31 December 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 based on the assumption that the full conversion of the remaining RCPS in issue into ordinary shares as at reporting date.

		<b>3 months ended 31.12.2023</b>	<b>12 months ended 31.12.2023</b>
Total profit/(loss) attributable to owners of the Company	(RM'000)	73,937	(2,185)
Effects on earnings upon conversion of RCPS	(RM'000)	522	2,078
	(RM'000)	<u>74,459</u>	<u>(107)</u>
Weighted average number of ordinary shares in issue	('000)	561,375	561,364
Effect of dilution from the full conversion of the remaining RCPS in issue	('000)	69,264	69,264
Weighted average number of ordinary shares in issue and issuable	('000)	<u>630,639</u>	<u>630,628</u>
Diluted/Anti-Diluted EPS/(LPS)	(sen)	<u>11.81</u>	<u>(0.02)</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 28 February 2024.

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

28 February 2024

Selangor Darul Ehsan