



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 2024**



# 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 2024

	3 months ended		Year to date ended	
	31.3.2024 RM'000	31.3.2023 RM'000	31.3.2024 RM'000	31.3.2023 RM'000
Revenue	648,083	670,726	648,083	670,726
Operating expenses	(652,687)	(703,835)	(652,687)	(703,835)
Other income	4,245	10,950	4,245	10,950
Finance costs	(17,240)	(13,358)	(17,240)	(13,358)
Share of results of associates	(2)	(1)	(2)	(1)
Loss before tax	(17,601)	(35,518)	(17,601)	(35,518)
Income tax credit	1,701	14,164	1,701	14,164
<b>Loss for the period</b>	<b>(15,900)</b>	<b>(21,354)</b>	<b>(15,900)</b>	<b>(21,354)</b>
<b>Other comprehensive income</b>				
<b><u>Items that will be reclassified subsequently to profit or loss:</u></b>				
Foreign currency translation differences for foreign operations	2,892	126	2,892	126
Cash flow hedges	(2,533)	1,345	(2,533)	1,345
Other comprehensive income for the period, net of tax	359	1,471	359	1,471
<b>Total comprehensive loss for the period</b>	<b>(15,541)</b>	<b>(19,883)</b>	<b>(15,541)</b>	<b>(19,883)</b>
<b>Loss attributed to:</b>				
Owners of the Company	(14,958)	(21,075)	(14,958)	(21,075)
Non-controlling interests	(942)	(279)	(942)	(279)
	<b>(15,900)</b>	<b>(21,354)</b>	<b>(15,900)</b>	<b>(21,354)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company	(14,599)	(19,604)	(14,599)	(19,604)
Non-controlling interests	(942)	(279)	(942)	(279)
	<b>(15,541)</b>	<b>(19,883)</b>	<b>(15,541)</b>	<b>(19,883)</b>
<b>Loss per share (sen):</b>				
Basic	(2.66)	(3.75)	(2.66)	(3.75)
Diluted	(2.29)	(3.26)	(2.29)	(3.26)

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 2023 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 2024**

	<b>31.3.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,182,797	1,189,618
Investment properties	4,400	4,422
Concession assets	95,467	91,845
Intangible assets	9,531	9,532
Investment in associates	47	48
Other investments	1	1
Deferred tax assets	239,264	235,509
Right-of-use assets	8,083	8,504
<b>Total Non-current Assets</b>	<b>1,539,590</b>	<b>1,539,479</b>
<b>Current Assets</b>		
Inventories	968,003	970,264
Trade receivables	449,103	454,260
Other receivables, deposits and prepayments	148,672	79,934
Derivative assets	-	1,820
Current tax assets	9,664	10,078
Cash and bank balances	82,213	118,680
<b>Total Current Assets</b>	<b>1,657,655</b>	<b>1,635,036</b>
<b>TOTAL ASSETS</b>	<b>3,197,245</b>	<b>3,174,515</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)	(55,664)
Other reserves	85,142	84,073
Retained earnings	507,771	522,729
Total equity attributable to owners of the Company	1,185,050	1,198,939
Non-controlling interests	89,563	88,300
<b>Total Equity</b>	<b>1,274,613</b>	<b>1,287,239</b>
<b>Non-current Liabilities</b>		
Loans and borrowings	156,530	162,234
Lease liabilities	6,748	7,197
Provision for retirement benefits	2,458	2,445
Deferred tax liabilities	32,026	32,533
<b>Total Non-current Liabilities</b>	<b>197,762</b>	<b>204,409</b>
<b>Current Liabilities</b>		
Loans and borrowings	1,287,747	1,293,910
Lease liabilities	1,978	1,907
Trade payables	295,904	209,230
Other payables, deposits and accruals	99,335	139,807
Derivative liabilities	1,616	102
Current tax liabilities	2,730	2,874
RCPS - liability component	35,560	35,037
<b>Total Current Liabilities</b>	<b>1,724,870</b>	<b>1,682,867</b>
<b>Total Liabilities</b>	<b>1,922,632</b>	<b>1,887,276</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,197,245</b>	<b>3,174,515</b>
Net assets per share attributable to owners of the Company (RM)	2.11	2.14

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024**

	----- 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 2024</b>	645,626	2,175	84,073	(55,664)	522,729	1,198,939	88,300	1,287,239
Loss for the period	-	-	-	-	(14,958)	(14,958)	(942)	(15,900)
Other comprehensive income for the period	-	-	359	-	-	359	-	359
Total comprehensive income/(loss) for the period	-	-	359	-	(14,958)	(14,599)	(942)	(15,541)
<b>Transactions with owners</b>								
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	710	-	-	710	-	710
Subscription of shares by non-controlling interests in a subsidiary	-	-	-	-	-	-	2,205	2,205
<b>At 31 March 2024</b>	645,626	2,175	85,142	(55,664)	507,771	1,185,050	89,563	1,274,613
<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 period	-	-	-	-	(21,075)	(21,075)	(279)	(21,354)
Other comprehensive income for the period	-	-	1,471	-	-	1,471	-	1,471
Total comprehensive income/(loss) for the period	-	-	1,471	-	(21,075)	(19,604)	(279)	(19,883)
<b>Transactions with owners</b>								
Long Term Incentive Plan ("LTIP"):								
- Share-based payments expenses	-	-	912	-	-	912	-	912
<b>At 31 March 2023</b>	645,626	2,175	78,206	(55,747)	503,826	1,174,086	242	1,174,328

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 2023 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 2024**

	<b>Year to date ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(17,601)	(35,518)
Adjustments	36,630	18,021
Operating profit/(loss) before working capital changes	19,029	(17,497)
Changes in working capital		
Net change in current assets	(64,879)	11,358
Net change in current liabilities	45,034	49,519
Interest received	1,860	972
Interest paid	(14,554)	(12,739)
Income tax paid	(1,571)	(3,588)
Net cash flows (used in)/generated from operating activities	(15,081)	28,025
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	292	309
Proceeds from disposal of investment properties	-	12,440
Subscription of shares by non-controlling interests in a subsidiary	2,205	-
Purchase of property, plant and equipment	(8,611)	(14,702)
Addition in concession assets	(3,622)	(8,095)
Net cash flows used in investing activities	(9,736)	(10,048)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of bank borrowings	(11,956)	(38,920)
Net repayment of lease liabilities	(590)	(490)
Interest paid	(2,046)	(4)
Withdrawal of fixed deposit pledged with licensed banks	1,963	496
Net cash flows used in financing activities	(12,629)	(38,918)
Net change in cash and cash equivalents	(37,446)	(20,941)
Effects of foreign exchanges rate changes	2,940	5
Cash and cash equivalents at beginning of period	107,588	121,021
Cash and cash equivalents at end of period	73,082	100,085

**Cash and cash equivalents**

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

	<b>Year to date ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	82,213	111,949
Less: Fixed deposit pledged with licensed banks	(9,131)	(11,864)
	73,082	100,085

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



# **ANN JOO RESOURCES BERHAD**

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## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024**

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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 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 December 2023.

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 2023, 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 2024**

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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 2024**

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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 2025**

Amendments to MFRS 121	Lack of Interchangeability
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##### **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 2024.

### **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 2024.

### **5 DEBT AND EQUITY SECURITIES**

As at 31 March 2024, 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 three months ended 31 March 2024.



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

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### 6 DIVIDENDS PAID

There were no dividend paid during the quarter under review (1Q2023: Nil).

### 7 LOSS BEFORE TAX

	<b>3 months ended 31.03.2024 RM'000</b>
<b>Loss before tax is arrived at after charging/(crediting):</b>	
Depreciation and amortisation	15,922
Finance cost	
- Interest expenses	16,706
- RCPS unwinding of discount	523
- Lease liabilities	11
Foreign exchange loss/(gain)	
- Realised	(591)
- Unrealised	1,712
Interest income	(2,152)
Overhead cost on plant temporary shutdown	877
Reversal of impairment loss on receivables	(736)
Reversal of allowance for inventories write-down	(6,164)

### 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

On 2 February 2024, Ann Joo Metal Sdn Bhd, a wholly owned subsidiary of the Company, incorporated and subscribed for 100 ordinary shares, representing 100% equity interest in IAC Infrastructure Sdn Bhd ("IAC"), for a total subscription price of RM100. IAC is currently a dormant company with an intended principal activity in the construction, engineering, and infrastructure development works. On 2 April 2024, Ann Joo Metal Sdn Bhd further subscribed for 749,900 ordinary shares in IAC for a total cash consideration of RM749,900, maintaining its 100% equity interest in IAC.

Save as disclosed above, there were no other changes in the composition of the Group during the current financial 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 2024

### 11 CAPITAL EXPENDITURE COMMITMENTS

The capital expenditure commitments of the Group as at 31 March 2024 were as follows:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
(a) contracted but not provided for	18,060
(b) approved but not contracted for	12,424
	<u>30,484</u>
<b>Concession assets</b>	
(a) contracted but not provided for	<u>34,689</u>
<b>Total</b>	<u>65,173</u>

### 12 REVIEW OF PERFORMANCE

	<b>3 months ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>		
Upstream Steel Division	470,585	475,226
Downstream Steel Division	284,553	346,696
Green Technology Division	9,477	226
Investment holding, property management and others	8,758	7,366
Adjustments and elimination	(125,290)	(158,788)
Group revenue	<u>648,083</u>	<u>670,726</u>
<b>Segment results</b>		
Upstream Steel Division	(6,404)	(51,134)
Downstream Steel Division	3,965	22,330
Green Technology Division	(1,098)	(732)
Investment holding, property management and others	3,663	8,209
Adjustments and elimination	(2,637)	(2,113)
	(2,511)	(23,440)
Finance costs	(17,240)	(13,358)
Interest income	2,152	1,281
Share of results of associates	(2)	(1)
Loss before tax	<u>(17,601)</u>	<u>(35,518)</u>



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

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### 12 REVIEW OF PERFORMANCE (CONTINUED)

Revenue was marginally lower in the first quarter of 2024 (“1Q2024”) compared to the corresponding quarter of the preceding year (“1Q2023”) mainly due to lower overall tonnage and selling prices of various steel products in the Upstream Steel and Downstream Steel Divisions, offset by the increase in revenue from Green Technology Division on commencement of waste management business in June 2023.

Loss before tax in 1Q2024 narrowed to RM17.60 million from RM35.52 million in 1Q2023 primarily attributed to improved gross profit margin resulting from gradual normalisation of high material and fuel costs experienced in the past years.

### 13 VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	3 months ended	
	31.3.2024	31.12.2023
	RM'000	RM'000
Revenue	648,083	605,041
(Loss)/Profit before tax	(17,601)	58,408

Higher revenue in 1Q2024 compared to the fourth quarter of 2023 (“4Q2023”) was mainly due to higher revenue in the Upstream Steel Division on better selling prices of various steel products and higher sale tonnage.

However, 1Q2024 recorded a loss before tax of RM17.60 million from a profit before tax of RM58.41 million in 4Q2023, owing primarily to the recognition of RM87.73 million in 4Q2023 relating to a gain on bargain purchase from acquisition of a subsidiary.

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024**

**14 SEGMENTAL INFORMATION**

**14.1 Business Segments**

The segmental revenue, results, assets and liabilities for the three months ended 31 March 2024 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	353,991	283,998	9,477	617	-	648,083
Inter-segment	116,594	555	-	8,141	(125,290)	-
	<u>470,585</u>	<u>284,553</u>	<u>9,477</u>	<u>8,758</u>	<u>(125,290)</u>	<u>648,083</u>
<b>RESULTS</b>						
Segment (loss)/profit	(6,404)	3,965	(1,098)	3,663	(2,637)	(2,511)
Finance costs						(17,240)
Interest income						2,152
Share of result of associates						(2)
Loss before tax						<u>(17,601)</u>
Income tax credit						<u>1,701</u>
Loss for the period						<u>(15,900)</u>
Segment assets	<u>1,880,184</u>	<u>960,743</u>	<u>148,695</u>	<u>609,377</u>	<u>(401,754)</u>	<u>3,197,245</u>
Segment liabilities	<u>1,268,415</u>	<u>552,555</u>	<u>113,353</u>	<u>419,521</u>	<u>(431,212)</u>	<u>1,922,632</u>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024****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>3 months ended 31.3.2024 RM'000</b>
<b>Revenue from external customers</b>	
Malaysia	583,366
Singapore	64,717
	<u>648,083</u>
	<b>As at 31.3.2024 RM'000</b>
<b>Non-current assets</b>	
Malaysia	1,297,146
Singapore	3,180
	<u>1,300,326</u>

**15 PROSPECTS**

The global steel market is expected to experience a volatile trend in steel prices and a slower pace of demand recovery brought on by a structural supply-demand imbalance. Even though there are early signs that global steel demand is stabilizing on a growth trajectory, adverse market conditions and growing economic uncertainty, such as the lag effect of monetary tightening, the resurgence of US-China trade frictions, and worsening geopolitical tensions, have further impacted the prospects of steel demand.

Similarly, China's steel market will continue to lag due to severe structural overcapacity and weak steel consumption. The demand for construction steel is noticeably weakening amid a declining investment in real estate development, decelerating public infrastructure investment and local bonds issuance. Given the decline in population coupled with the nearing end of urbanization, as well as the sector's debt problems, China's property sector has entered a protracted structural downturn.

Domestically, construction steel demand is unlikely to improve significantly given the lack of rollout of mega infrastructure projects. However, it is anticipated that, in the medium term, market demand would progressively improve in tandem with the impending mega infrastructure projects, such as the Penang LRT, Johor LRT, Kuching ART, LRT 3 and HSR. Going forward, the construction sector will benefit from an additional boost from the potential investment of RM180 billion for both public and private sector projects.



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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024

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### 15 PROSPECTS (CONTINUED)

Given the continuous challenging market conditions, the Group has been actively accelerating its productivity improvement and cost optimization programs. These programs are implemented through industry expert engagement and realignment of procurement strategies for key materials and fuels, particularly coke purchases, to improve operational efficiency and financial recuperation. The Group remains committed to maintaining effective balance sheet and cash flow management so as to stay vigilant and navigate through this turbulent and demanding period.

### 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 2024.

### 17 INCOME TAX

The income tax credit comprises:

	<b>3 months ended</b>
	<b>31.3.2024</b>
	<b>RM'000</b>
<b>Recognised in comprehensive income:</b>	
<b>Income tax</b>	
Current period	1,760
<b>Deferred tax</b>	
Current period	(3,461)
	<hr/>
	(1,701)
<b>Recognised in other comprehensive income:</b>	
<b>Deferred tax</b>	
Current period	(800)
	<hr/>
	(2,501)

A tax credit of RM2.50 million was due mainly to deferred tax credit recognised from the business loss of 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 2024

### 19 GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings and debts securities as at 31 March 2024 were as follows:

#### a) Loans and borrowings

	<b>31.3.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Current</u></b>		
<b>Secured:</b>		
Term loans	29,480	29,214
Obligations under finance leases	408	383
<b>Unsecured:</b>		
Bills payable	1,087,686	1,049,576
Foreign currency trade finance	170,173	214,737
	<u>1,287,747</u>	<u>1,293,910</u>
<b><u>Non-Current</u></b>		
<b>Secured:</b>		
Term loans	155,535	161,193
Obligations under finance leases	995	1,041
	<u>156,530</u>	<u>162,234</u>
<b>Total</b>	<u><u>1,444,277</u></u>	<u><u>1,456,144</u></u>

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

	<b>31.3.2024</b>		<b>31.12.2023</b>	
	<b>Foreign currency ( '000)</b>	<b>RM equivalent ( '000)</b>	<b>Foreign currency ( '000)</b>	<b>RM equivalent ( '000)</b>
<b><u>Current</u></b>				
<b>Unsecured:</b>				
Foreign currency trade finance :				
- USD	30,764	143,819	38,840	180,097
- SGD	7,459	26,354	9,870	34,640
		<u>170,173</u>		<u>214,737</u>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024****19 GROUP BORROWINGS AND DEBT SECURITIES (CONTINUED)**

The Group's borrowings and debts securities as at 31 March 2024 were as follows (Continued):

**b) Debts securities – RCPS**

		<b>31.3.2024</b>
	<b>No of RCPS (‘000)</b>	<b>Amount RM’000</b>
At the beginning of financial year	69,264	37,212
Less: Converted during the period	-	-
Add: Unwinding of discount charged to profit or loss	-	523
Less: Dividend paid	-	-
At the end of financial period	<u>69,264</u>	<u>37,735</u>
Liability component		35,560
Equity component		<u>2,175</u>
		<u>37,735</u>

**20 FINANCIAL INSTRUMENTS**

The Group's outstanding derivatives as at 31 March 2024 were as follows:

<u>31 March 2024</u>	<b>Notional Value RM’000</b>	<b>Fair Value RM’000</b>	<b>Net Loss RM’000</b>
Foreign currency forward contract	126,835	128,451	1,616

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.

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. The trial concluded on 11 August 2023 and the Court directed the filing and exchange of written submissions and reply submissions with an oral hearing fixed on 22 November 2023.



# 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 2024

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### 21 MATERIAL LITIGATIONS (CONTINUED)

On 22 November 2023, the hearing was postponed to 1 March 2024 (oral submission) after a full trial due to the Judge's health condition. On 16 February 2024, the Court vacated the oral hearing of 1 March 2024 and rescheduled the oral hearing on 10 July 2024. The parties are presently preparing for the oral hearing.

### 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 2024 (1Q2023: Nil).

#### 22.2 Redeemable Convertible Cumulative Preference Shares ("RCPS")

On 30 May 2024, the Board approved and declared a first semi-annual dividend of 1.25 sen (2023: 1.25 sen) per RCPS in respect of the financial year ending 31 December 2024. This dividend will be paid on 12 July 2024 to the depositors registered in the Record of Depositors at the close of business on 20 June 2024.

### 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 2024 as set out below:

		<b>3 months ended 31.03.2024</b>
Loss attributable to owners of the Company	(RM'000)	(14,958)
Weighted average number of ordinary shares in issue	('000)	561,375
Basic LPS	(sen)	<u>(2.66)</u>



**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2024**

**23 LOSS PER ORDINARY SHARE (“LPS”) (CONTINUED)**

**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 2024, 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.

		<b>3 months ended 31.03.2024</b>
Loss attributable to owners of the Company	(RM'000)	(14,958)
Effects on earnings upon conversion of RCPS	(RM'000)	523
	(RM'000)	<u>(14,435)</u>
Weighted average number of ordinary shares in issue	('000)	561,375
Effect of dilution from the full conversion of the remaining RCPS in issue	('000)	<u>69,264</u>
Weighted average number of ordinary shares in issue and issuable	('000)	<u>630,639</u>
Diluted LPS	(sen)	<u>(2.29)</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 30 May 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  
 30 May 2024  
 Selangor Darul Ehsan