



## **HWA TAI INDUSTRIES BERHAD**

(Company No.:197401002656 (19688-V))

### **INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

#### **A. NOTES TO INTERIM FINANCIAL REPORT**

##### **1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards and the requirement of the Companies Act 2016 in Malaysia; Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed 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 condensed 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 financial statements of the Group have been prepared under the historical cost basis except as disclosed in the significant accounting policies in the audited financial statements for the financial year ended 31 December 2023.

The adoption of the MFRSs and Amendments do not have any material financial impact to these interim financial statements.

##### **2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2023.

##### **3. AUDIT REPORT**

There was no qualification in the auditor's report of the preceding annual financial statements for the financial year ended 31 December 2023.

##### **4. SEASONAL OR CYCLICAL FACTORS**

The Group is principally engaged in the manufacturing and trading of biscuits and food products. The demand for the Group's products generally picks up during festive seasons.

##### **5. UNUSUAL ITEMS**

There were no material unusual items affecting the Group for the current quarter ended 30 June 2024.

##### **6. CHANGES IN ESTIMATES**

There were no material changes in the estimates in the prior financial years which have a material effect on the results for the current quarter and financial year to date.



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#### **7. ISSUANCE OR REPAYMENTS OF DEBT AND EQUITY SECURITIES**

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter ended 30 June 2024.

#### **8. DIVIDENDS PAID**

There were no dividends paid for the current quarter ended 30 June 2024.

#### **9. SEGMENTAL REPORT**

	<b>6 months ended 30 June 2024</b>	
	<b>Revenue</b>	<b>Profit before taxation</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Manufacturing	34,971	955
Trading & others	<u>9,644</u>	<u>(165)</u>
Total	<u>44,615</u>	<u>790</u>

#### **10. VALUATION OF PROPERTIES AND RIGHT-OF-USE ASSETS**

The valuation of property, plant and equipment have been brought forward, without amendment from the previous financial quarter for the financial period ended 31 March 2023.

#### **11. MATERIAL SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter ended 30 June 2024.

#### **12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current quarter ended 30 June 2024.

#### **13. CAPITAL COMMITMENTS**

There were no capital commitments for the current quarter ended 30 June 2024 other than as follows:

	<b><u>RM'000</u></b>
Contracted but not provided for property, plant and equipment	<u>51</u>

#### **14. CONTINGENT LIABILITIES**

	<b><u>RM'000</u></b>
Bank guarantees issued in favour of third parties	<u>407</u>



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#### **B. ADDITIONAL INFORMATION – LISTING REQUIREMENTS**

##### **15. PERFORMANCE REVIEW**

The Group recorded a profit before taxation of RM 0.8 million in the current year as compared to a loss before taxation of RM 4.1 million in the preceding financial period. The improved result was mainly due to higher profit contributed by the increase in revenue as a result of higher demand of our biscuits from domestic & International market.

##### **16. VARIATIONS OF CURRENT QUARTER RESULTS AGAINST PRECEDING QUARTER**

The Group recorded a profit before taxation of RM 0.3 million in the current quarter as compared to loss before taxation of RM2.7million in the preceding year quarter. The higher profit in the current quarter was mainly due to higher revenue from domestic market which contributed higher margin for the group.

##### **17. PROSPECTS OF THE GROUP**

The Group anticipates macroeconomic conditions in Malaysia to remain challenging.

The Group will be vigilant and respond accordingly to the changing business dynamics and market environment with our constant focus in improving its performance.

##### **18. PROFIT FORECAST OR PROFIT GUARANTEE**

There were no profit forecast or profit guarantee issued by the Group.

##### **19. PROFIT / (LOSS) BEFORE TAXATION**

Profit / (Loss) before taxation has been arrived after charging/(crediting):-

	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
	<b>30.06.2024</b>	<b>30.06.2023</b>
Interest income	(65)	(76)
Interest expense	938	922
Depreciation of property, plant and equipment	1,778	981
Impairment loss on receivables	27	43
Net (gain) / loss on foreign exchange	(44)	(18)



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#### 20. TAXATION

The breakdown of taxation is as follows:

	Individual Quarter		Cumulative Quarter	
	Current year Quarter 30.06.2024 RM'000	Preceding year Quarter 30.06.2023 RM'000	Current year Quarter 30.06.2024 RM'000	Preceding year Quarter 30.06.2023 RM'000
Income tax - current period	-	-	-	-
Deferred tax - prior period	-	-	43	-
	<u>-</u>	<u>-</u>	<u>43</u>	<u>-</u>

#### 21. CORPORATE PROPOSALS

There are no ongoing corporate proposals at the date of this announcement.

#### 22. GROUP LOAN, BORROWINGS AND LEASE LIABILITIES

Group loan, borrowings and lease liabilities as at 30 June 2024 are as follows:

	Unsecured RM'000	Secured RM'000	Total RM'000
<b>Loan and Borrowings</b>			
Short term borrowings	28,301	-	28,301
Long term borrowings	<u>-</u>	<u>-</u>	<u>-</u>
Total borrowings	<u>28,301</u>	<u>-</u>	<u>28,301</u>
<b>Lease Liabilities</b>			
Short term lease liabilities	104	821	925
Long term lease liabilities	<u>-</u>	<u>1,351</u>	<u>1,351</u>
Total lease liabilities	<u>104</u>	<u>2,172</u>	<u>2,276</u>
Total	<u>28,405</u>	<u>2,172</u>	<u>30,577</u>

#### 23. FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at the date of this announcement.

#### 24. MATERIAL LITIGATION

As at the date of this announcement, the Group is not engaged in any material litigation, which have a material effect on the financial position or the business of the Group.



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#### **25. DIVIDEND**

No interim dividend is recommended for the current quarter ended 30 June 2024.

#### **26. EARNING/ (LOSS) PER SHARE**

Basic earning/(loss) per share is calculated by dividing the profit/(loss) for the financial period by the weighted average number of ordinary shares in issue during the financial period:

	<b>Cumulative Quarter <u>30.06.2024</u></b>	<b>Cumulative Quarter <u>30.06.2023</u></b>
Profit/(Loss) for the period attributable to owners of the Company (RM'000)	748	(4,121)
Weighted average number of shares ('000)	74,833	74,833
Basic earning/(loss) per share (sen)	1.00	(5.51)

#### **27. AUTHORISATION FOR ISSUE**

The interim financial reports were authorised for release by the Board of Directors.

By Order of the Board  
JESSICA CHIN TENG LI (MAICSA 7003181)  
Company Secretary  
Dated: 20 August 2024