



UNITRADE

UNITRADE INDUSTRIES BERHAD

Registration No.: 202101013724 (1414023-X)

**Interim Financial Report
For the Fourth Quarter Ended
31 March 2024**

UNITRADE INDUSTRIES BERHAD

202101013724 (1414023-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2024⁽¹⁾

	Individual quarter		Cumulative quarter	
	Current quarter 31.03.2024 RM '000	Corresponding quarter 31.03.2023 RM '000	Current year to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Revenue	478,247	374,711	1,613,573	1,394,677
Cost of sales	(456,628)	(355,620)	(1,528,730)	(1,317,517)
Gross profit ("GP")	21,619	19,091	84,843	77,160
Other income	2,466	1,460	26,287	8,882
Administrative and general expense	(13,488)	(12,192)	(48,993)	(46,229)
Net loss on impairment of financial instrument	(1,426)	(2,312)	(9,774)	(2,193)
Results from operating activities	9,171	6,047	52,363	37,620
Finance income	79	862	1,374	1,439
Finance costs	(6,506)	(5,154)	(24,599)	(18,365)
Profit before tax ("PBT")	2,744	1,755	29,138	20,694
Tax expense	(1,772)	(785)	(5,086)	(5,297)
Profit and total comprehensive income for the year ("PAT")	972	970	24,052	15,397
Total comprehensive (loss)/income attributable to:				
- Owners of the Group	(354)	970	22,646	15,397
- Non-controlling interest	1,326	-	1,406	-
	972	970	24,052	15,397
(Loss)/earning per share (sen)				
Basic ⁽²⁾	(0.02)	0.06	1.45	1.03

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2024 (CONTINUED)⁽¹⁾

Notes:

- (1) The Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive income should be read in conjunction with the Annual Report for the year ended 31 March 2023 and accompanying explanatory notes attached in this interim financial report.
- (2) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares after the Initial Public Offering (“IPO”) of the Company.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Unaudited	Audited
	31.03.2024	31.03.2023
	RM '000	RM '000
Non-current assets		
Property, plant and equipment	231,541	179,608
Right-of-use assets	914	424
Investment properties	22,211	17,241
Intangible assets	600	630
Other investments	41	41
Deferred tax assets	4,447	3,410
Goodwill	44,207	-
Total non-current assets	303,961	201,354
Current assets		
Inventories	267,267	202,872
Trade and other receivables	467,562	380,844
Current tax assets	3,685	3,773
Derivative financial assets	-	106
Other Investments	-	31,064
Fixed deposit with licensed banks	10,768	9,359
Cash and bank balances	71,911	87,140
	821,193	715,158
Asset classified as held for sale	-	2,320
Total current assets	821,193	717,478
Total assets	1,125,154	918,832
Equity		
Share capital	291,335	291,335
Retained earnings	230,731	212,773
Merger reserve	(174,337)	(174,337)
Total equity attributable to owners of the Group	347,729	329,771
Non-controlling interest	20,625	-
Total equity	368,354	329,771
Non-current liabilities		
Loan and borrowings	127,148	117,740
Lease liabilities	504	211
Deferred tax liabilities	3,582	3,415
Deferred consideration for acquisition of subsidiaries	13,842	-
Total non-current liabilities	145,076	121,366

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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONTINUED)

	Unaudited 31.03.2024	Audited 31.03.2023
	RM '000	RM '000
Current liabilities		
Loan and borrowings	420,535	367,586
Lease liabilities	425	223
Trade and other payables	185,458	99,370
Deferred consideration for acquisition of subsidiaries	4,691	-
Current tax liabilities	615	516
Total current liabilities	611,724	467,695
Total liabilities	756,800	589,061
Total equity and liabilities	1,125,154	918,832
Number of issued shares ('000)	1,562,500	1,562,500
Net assets per ordinary share attributable to owners of the Company (sen)	22	21

Notes:

The Unaudited Consolidated Statements of Financial Position should be read in conjunction with the Annual Report for the year ended 31 March 2023 and accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 MARCH 2024

	<i>Non-distributable</i>		<i>Distributable</i>		Non-controlling interest	Total equity
	Share capital	Merger reserve	Retained earnings	Total		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
As 1 April 2023	291,335	(174,337)	212,773	329,771	-	329,771
Profit and total comprehensive income for the year	-	-	22,646	22,646	1,406	24,052
Acquisition of subsidiaries	-	-	-	-	19,219	19,219
Dividends	-	-	(4,688)	(4,688)	-	(4,688)
As at 31 March 2024	291,335	(174,337)	230,731	347,729	20,625	368,354
As 1 April 2022	194,500	(174,337)	210,189	230,352	-	230,352
Profit and total comprehensive income for the year	-	-	15,397	15,397	-	15,397
Issuance of ordinary shares	100,000	-	-	100,000	-	100,000
Share issuance expenses	(3,165)	-	-	(3,165)	-	(3,165)
Dividends	-	-	(12,813)	(12,813)	-	(12,813)
As at 31 March 2023	291,335	(174,337)	212,773	329,771	-	329,771

Note:

The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 March 2023 and accompanying explanatory notes attached in this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2024

	Current year to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Cash flows from financing activities		
Profit before tax	29,138	20,694
Adjustments for:		
Impairment loss on trade receivables	10,030	3,299
Impairment loss on inventories	2,738	4,592
Reversal of impairment loss on trade receivables	(256)	(1,106)
Reversal of impairment loss on inventories	(92)	(84)
Depreciation of property, plant and equipment	11,062	9,468
Depreciation of right-of-use assets	323	238
Depreciation of investment properties	217	274
Property, plant and equipment written off	2,370	170
Amortisation of intangible assets	112	129
Write off of intangible assets	-	98
Gain on disposal of property, plant and equipment	(3,215)	(1,340)
Gain on disposal of asset held for sale	(17,080)	-
Gain on disposal of investment property	(124)	-
Finance income	(1,374)	(1,439)
Unrealised loss /(gain) on foreign exchange	97	(95)
Finance costs	24,599	18,365
Operating profit before changes in working capital	58,545	53,263
Change in inventories	(54,779)	(52,231)
Change in trade and other receivables	(44,296)	45,878
Change in trade and other payables	63,021	(13,414)
Cash generated from operations	22,491	33,496
Interest paid	(385)	(500)
Income tax paid	(7,528)	(11,973)
Tax refund	791	-
Net cash from operating activities	15,369	21,023
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(45,540)	-
Acquisition of property, plant and equipment	(25,231)	(14,447)
Acquisition of intangible assets	(82)	(160)
Acquisition of investment property	(5,087)	-
Proceeds from disposal of property, plant and equipment	8,426	3,765
Proceeds from disposal of investment property	568	-
Proceeds from disposal of Asset held for sale	19,400	-
Change in pledged deposits	(1,409)	(166)
Change in other investments	31,064	(31,064)

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 MARCH 2024 (CONTINUED)

	Current period to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Cash flows from investing activities (continued)		
Interest received	1,374	1,439
Net cash used in investing activities	(16,517)	(40,633)
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	96,835
Net drawdown/(repayment) of loans and borrowings	16,220	(44,757)
Repayment of lease liabilities	(318)	(240)
Repayment of hire purchase liabilities	(909)	(832)
Interest paid	(24,324)	(17,913)
Dividends paid to owners of the Company	(4,688)	(12,813)
Bank guarantee charges	(62)	-
Net cash (used in)/generated from financing activities	(14,081)	20,280
Net changes in cash and cash equivalents	(15,229)	670
Cash and cash equivalents at beginning of the year	87,140	86,470
Cash and cash equivalents at end of the period	71,911	87,140

Notes:

- (1) The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Annual Report for the year ended 31 March 2023 and accompanying explanatory notes attached in this interim financial report.
- (2) Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Current year to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Cash and bank balances	71,911	87,140
Deposits placed with licensed banks	4,053	40,424
Short term investment	-	-
	75,964	127,564
Less: Deposit pledged	(4,053)	(40,424)
	71,911	87,140

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024

PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING

A 1. Basis of preparation

The interim financial report of Unitrade Industries Berhad and its subsidiaries (“Group”) is unaudited and has been prepared in accordance with the applicable disclosure provisions of Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of **Bursa Securities** and in compliance with Malaysian Financial Reporting Standard “MFRS 134, *Interim Financial Reporting*”.

This interim financial report does not include all the information required for the full annual audited financial statements and should be read in conjunction with the Annual Report for the year ended 31 March 2023 and all the financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. The following are accounting standards and amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangement*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above amendments to MFRSs and annual improvement to MFRSs do not have signification impact to the Group.

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)

A 2. Auditors’ Report on preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2023.

A 3. Seasonal or cyclical factors

The businesses of the Group have not been materially affected by any seasonal or cyclical factors.

A 4. Exceptional items

There were no material exceptional items of an unusual nature, size or incidence materially affecting the assets, liabilities, equity, net income or cash flows of the Group during the interim financial reporting period under review.

A 5. Material changes in estimates

There were no changes in the estimates of the amounts reported in previous financial periods that have a material effect on the results of the interim financial reporting period under review.

A 6. Debt and equity securities

There were no issuance and repayment of debt and securities, share buybacks, share cancellations, share held as treasury and resale of treasury shares during the interim financial reporting period under review.

A 7. Dividend

First and Final Single tier dividend of 0.30 sen per share amounting to RM4,687,500 in respect of the financial year ended 31 March 2023 approved at the last Annual General Meeting on 7 September 2023 and paid on 3 October 2023.

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 8. Segment Reporting

The Group’s operating segments information for the financial period ended 31 March 2024 is as follows

	Wholesale and distribution RM '000	Metal recycling RM '000	Manufacturing RM '000	Rental RM '000	Others RM '000	Elimination RM '000	Total RM '000
Revenue from external customers	1,366,577	205,793	24,942	16,261	-	-	1,613,573
Inter-segment revenue	33,471	-	2,932	401	4,179	(40,983)	-
Impairment loss on inventories	(2,646)	-	-	-	-	-	(2,646)
Segment profit/(loss)	52,330	4,530	2,686	6,561	(2,030)	-	64,077
Depreciation and amortisation							(11,714)
Finance income							1,374
Finance costs							(24,599)
Profit before tax							29,138
Tax expense							(5,086)
Profit for the period							24,052

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 8. Segment Reporting (continued)

The Group’s operating segments information for the financial period ended 31 March 2023 is as follows

	Wholesale and distribution RM '000	Manufacturing RM '000	Rental RM '000	Others RM '000	Elimination RM '000	Total RM '000
Revenue from external customers	1,345,146	34,430	15,101	-	-	1,394,677
Inter-segment revenue	35,094	3,178	699	13,023	(51,994)	-
Impairment loss on inventories	(4,508)	-	-	-	-	(4,508)
Segment profit/(loss)	31,039	9,552	9,992	(2,854)	-	47,729
Depreciation and amortisation						(10,109)
Finance income						1,439
Finance costs						(18,365)
Profit before tax						20,694
Income tax expense						(5,297)
Profit for the period						<u>15,397</u>

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 9. Contingent liabilities and contingent assets

There were no contingent assets. Changes of contingent liabilities of the Group since the last audited financial statements for the financial year ended 31 March 2023 are as follows:

	RM '000
Corporate guarantees issued to suppliers in respect of sales of goods to a subsidiary	<u>42,630</u>

A 10. Capital commitments

	31.03.2024 RM '000
Contracted but not provided for: Property, plant and equipment	<u>7,057</u>

A 11. Significant related party transactions

The significant related party transactions with companies in which certain Directors have interests for the financial period ended 31 March 2024 are as follows.

	RM '000
Sales	1,405
Purchases	<u>(998)</u>

A 12. FAIR VALUE OF FINANCIAL LIABILITIES

There was no gain and loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2024

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B 1. Review of performance

	Individual Quarter				Cumulative Quarter			
	Current Year	Preceding Year	Changes		Current Year To-Date	Preceding Year To-Date	Changes	
	Quarter	Quarter	RM '000	%	31.03.2024	31.03.2023	RM '000	%
Revenue	478,247	374,711	103,536	27.6	1,613,573	1,394,677	218,896	15.7
Gross profit	21,619	19,091	2,528	13.2	84,843	77,160	7,683	10.0
Profit before tax	2,744	1,755	989	56.4	29,138	20,694	8,444	40.8
Profit after tax	972	970	2	0.20	24,052	15,397	8,655	56.2

4Q2024 vs 4Q2023

The Group's 4Q2024 revenue increased by 27.6% year-on-year ("y-o-y") to RM478.2 million from RM374.7 million in 4Q2023. The revenue growth was chiefly driven by newly added segment metal recycling contributing RM205.8 million or 12% of total revenue.

In 4Q2024, gross profit ("GP") experienced a y-o-y increase of 13.2% to RM21.6 million from RM19.1 million in 4Q2023. However, the GP margin decreased by 0.6 percentage points to 4.5% in 4Q2024 compared to 5.1% in 4Q2023. This decrease in GP margin is mainly due to an impairment charge on inventory amounting to RM2.2 million, compared to a reversal of impairment on inventory amounting to RM2.2 million in the previous corresponding quarter.

During the current quarter under review, the Group recorded other income of RM2.5 million primarily derived from rental received from investment properties (RM1.0 million), gain on disposal of property, plant and equipment (RM0.7 million), late payment charges (RM0.3 million), and realised gain on foreign exchange (RM0.2million). Administrative and general expenses amounted to RM13.5 million, largely comprising staff costs, depreciation as well as selling and distribution expenses.

The increase in PBT by RM1.0 million was mainly due to rental received from investment property amounted RM1.0 million and a decrease in impairment loss on trade receivable amounted RM1.4 million as compared to 4Q2023 amounted RM2.3 million. However, the profit was partially offset by RM1.3 million increase in finance costs partly attributed to higher interest rates.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 1. Review of performance (continued)

Financial review for current financial year-to-date (“YTD”) vs preceding year’s corresponding financial YTD

The Group recorded a total revenue of RM1,613.6 million for the financial year ended 31 March 2024 (“FY2024”), an increase of 15.7% y-o-y compared to the financial year ended 31 March 2023 (“FY2023”).

Nonetheless, GP for current YTD only increased by 10.0% y-o-y to RM84.8 million, mainly attributable to higher procurement costs for raw materials and trading inventories. This increase was partially offset by a lower impairment on inventory amounting to RM2.6 million, compared to RM4.5 million in the previous period.

There was income arising from disposal of a property in Glenmarie amounting to RM17.1 million under other income. However, the profit was offset by a RM9.8 million impairment loss on trade receivable, compared to RM2.2 million in the previous year. The increase in impairment loss on trade receivable is directly linked to a rise of RM68.0 million in trade receivables as compared to FY2023, whereby the assessment of expected credit loss was conducted using a provision matrix referencing the probability of receivable progression to assess the Group’s credit risk.

Furthermore, the profit also offset by a RM6.2 million increase in finance costs, partly attributable to higher interest rates. Overall, the Group registered PBT and PAT of RM29.1 million and RM24.1 million, respectively, compared to RM20.7 million and RM15.4 million in previous year’s corresponding period.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 2. Comparison with immediate preceding quarter results

	Current Quarter	Preceding Quarter	Changes	
	31.03.2024	31.12.2023	RM '000	%
Revenue	478,247	440,099	38,148	8.7
Gross profit	21,619	24,500	(2,881)	(11.8)
Profit before tax	2,744	19,560	(16,816)	(86.0)
Profit after tax	972	18,296	(17,324)	(94.7)

The Group recorded a 8.7% increase in revenue compared to the previous quarter, primarily attributed to additional revenue generated by the newly acquired company. However, despite the revenue increase, the GP decreased by 11.8%. This decline is primarily attributable to an impairment charge on inventory amounting to RM2.2 million, in contrast to the previous quarter's impairment reversal of RM2.7 million. Additionally, higher procurement costs for raw materials and trading inventories also contributed to the decrease in GP.

Overall, the Group registered a decrease in PBT and PAT by RM16.8 million and RM17.3 million as compared to 3Q2024. This was mainly attributed to gain on disposal of a property in Glenmarie amounting to RM17.1 million in previous quarter.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 3. Prospects

Global sentiments remain mired in doubts underpinned by geopolitical tensions and macroeconomic uncertainties. Nonetheless, Malaysian economy demonstrated resilience with a growth of 4.2% in Gross Domestic Product for the first quarter of 2024 (“1QCY24”). In particular, the construction sector’s 11.9% expansion in 1QCY24 is remarkable, bolstered by government-led initiatives such as the reinstatement of key infrastructure projects and increased development expenditure. Additionally, Bank Negara Malaysia’s decision to maintain the overnight policy rate at 3.0% during its recent Monetary Policy Committee meeting in May 2024 provides further support for economic growth.

Against the backdrop mentioned above, Unitrade is broadly optimistic about its outlook as a building materials wholesaler and distributor. With the construction sector expected to continue its strong performance going into second half of the year, Unitrade anticipates increased demand for its products. Deputy Works Minister had in May 2024 said Government will be kicking off various infrastructure projects, such as the packages allocated for the Pan Borneo Highway, as well as construction for schools, hospitals, clinics, and roads.

On balance, building materials’ multi-faceted usages throughout the lifecycle of buildings and infrastructures ensure sustained demand for our products, spanning from new construction projects to refurbishment and retrofitting, as well as repair and maintenance works.

Looking ahead, the Group remains focused on executing its growth strategies. The completion of the strategic acquisition of a 51%-stake in Intergreen in January 2024 marks our entrance into the metal recycling business, creating a new and significant earnings driver for the Group. Notably, this sustainable business promotes a circular economy by contributing to the reuse and recycling of metal resources, all in line with our ESG agenda to uphold sustainability and green practices. Meanwhile, we are expanding our distribution offerings with a full suite of solar products, aligning with Malaysia’s renewable energy initiatives and catering to sustainable building and infrastructure needs. To further enhance our service comprehensiveness, we are expanding our rental division with a focus on modular housing solutions and temporary structural support equipment. Our modular housing solutions address the growing industry demand for economical worker accommodations, balancing space efficiency with workers’ well-being. On the corporate front, we continue to explore synergistic merger and acquisition opportunities to increase our engagement in environmentally responsible businesses.

Barring any unforeseen circumstances, the Group expects to deliver a satisfactory set of financial performance for the next financial year.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 4. Variance of actual profits vs profit forecast

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the interim financial reporting period under review.

B 5. Income tax expense

The breakdown of income tax expenses are as follows:

	Individual quarter		Cumulative quarter	
	Current quarter 31.03.2024 RM '000	Corresponding quarter 31.03.2023 RM '000	Current year to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Current tax expenses	1,292	1,591	4,776	4,616
Deferred tax (income)/expenses	(717)	(806)	(1,469)	681
Real property gain tax	1,197	-	1,779	-
Effective tax rate (%)	64.6	44.7	17.5	25.6

The Group's effective tax rate for 4Q2024 is higher than the statutory tax rate of 24% primarily due to under-provision of real property gains tax for the disposal of a property recognised in 3Q2024.

The Group's overall effective tax rate for the year ended 31 March 2024 is lower than the statutory tax rate of 24%, mainly due to the lower tax rate on real property gains tax for disposal of properties.

B 6. Investment in quoted securities

There was no purchase or disposal of any quoted securities during the interim financial reporting period under review.

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B 7. Status of corporate proposals

On 27 February 2024, the Company has announced the propose private placement of up to 156,250,000 new ordinary shares in the Company, representing not more than 10.0% of the total number of issued ordinary shares.

On 27 March 2024, Bursa Securities has vided its letter approved the listing and quotation of up 156,250,000 placement shares representing not more than 10.0% of the issued shares of the Company.

On 10 May 2024, the Company has announced the issued price to be fixed at RM0.27 per placement share, represents a discount of approximately 7.7% or RM0.0225 to the 5D-VWAMP of the Company shares from 3 May 2024 to 9 May 2024 of approximately RM0.2925 per ordinary share.

On 27 May 2024, the Company has announced the completion of the first tranche of the Private Placement following the listing of and quotation for 68,220,000 Placement the ACE Market of Bursa Securities with effect from 9:00 a.m., 27 May 2024.

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B 8. Utilisation of proceeds from Public Issue

The Company completed its IPO exercise on 14 June 2022, which raised gross proceeds of RM 100 million. The proceeds raised from IPO are proposed to be utilised as follows:

Utilisation of proceeds	Proposed utilisation	Actual utilisation at 31 March 2024	Reallocation	Balance to be utilised	Intended timeframe for utilisation (from the listing date 14 June 2022)
	RM '000	RM '000	RM '000	RM '000	
Working capital	50,500	(45,600)	(4,900)	-	Within 18 months
Repayment of bank borrowing	39,800	(39,800)	-	-	Within 12 months
Capital expenditure for pipe fabrication centre	5,000	(4,497)	-	503	Within 36 months
Estimated listing expenses	4,700	(4,983)	283	-	Immediate
Capital expenditure for temporary structural equipment	-	(4,617)	4,617	-	Within 18 months
Total	100,000	(99,497)	-	503	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2022. As at 31 March 2024, the Company has fully utilised the balance of the proceeds except for the utilisation for pipe fabrication centre.

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B 9. Borrowings and debt securities

	Current year to date 31.03.2024 RM '000	Corresponding year to date 31.03.2023 RM '000
Non-current		
Secured		
Term loans	36,323	26,144
Revolving credit	86,817	87,064
Hire purchase liabilities	1,396	1,936
	124,536	115,144
Unsecured		
Term loans	1,723	2,596
Hire purchase liabilities	889	-
	2,612	2,596
	127,148	117,740
Current		
Secured		
Term loans	2,494	1,167
Revolving credit	17,890	17,429
Bankers' acceptance	212,795	151,893
Bank overdraft	130	-
Hire purchase liabilities	854	877
Foreign currency trade financing	-	-
	234,163	171,366
Unsecured		
Term loans	854	1,018
Bankers' acceptance	185,268	195,202
Hire purchase liabilities	250	-
	186,372	196,220
	420,535	367,586
Total	547,683	485,326

Notes:

The above borrowings are denominated in Ringgit Malaysia

The secured borrowings of the Group borrowings are by way of charges over certain property, plant and equipment and investment properties of the Group. In addition, some borrowings are supported by Corporate Guarantee of the Company.

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B 10. Material litigations

On 9 January 2024, one of the subsidiaries, Unitrade United Sdn Bhd (“Plaintiff”) had filed a Writ of Summons together with the Statement of Claim at the High Court of Malaya at Georgetown against Sequoia Sheet Piles Sdn Bhd and Lye Jit Wei (“Defendant”).

The circumstances leading to the filing of the Writ of Summons together with the Statement of Claim were that Defendants has failed to settle the outstanding sums of RM1,581,747.01, and should the Defendant fail to return the sheet piles, then the Defendant has to repay an additional amount of RM3,383,543 to the Plaintiff.

Subsequently, a sealed order for Judgment in Default has been obtained from the court and extracted.

There is no other litigation or arbitration which have a material effect on the financial position of the Group.

B 11. Dividends

On 7 March 2024, the Board of Directors declared an interim single tier dividend of RM0.44 sen per ordinary share amounting to RM6.9 million for the financial year ending 31 March 2024, has been paid on 5 April 2024 to the shareholders of the Company whose names appear in the Record of Depositors on 21 March 2024.

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B 12. (Loss)/Earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share was based on the (loss)/profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	Individual quarter		Cumulative quarter	
	Current quarter 31.03.2024	Corresponding quarter 31.03.2023	Current year to date 31.03.2024	Corresponding year to date 31.03.2023
(Loss)/profit attributable to ordinary shareholders (RM '000)	(355)	970	22,646	15,397
Weighted average number of ordinary shares ('000)	1,562,500	1,562,500	1,562,500	1,498,288
Basic (loss)/earnings per share (sen)	(0.02)	0.10	1.45	1.03

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

There were no potential dilution effects on ordinary shares of the Group for the current and previous financial years. Accordingly, the diluted earnings per ordinary share for the current and previous years are equal to the basic earnings per ordinary share.

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B 13. Notes to the Statements of Comprehensive Income

Profit before taxation is arrived after charging/(crediting):

	Individual quarter		Cumulative quarter	
	Current	Correspon-	Current	Correspon-
	quarter	ding	year to	ding year
	31.03.2024	quarter	date	to date
	RM '000	31.03.2023	31.03.2024	31.03.2023
		RM '000	RM '000	RM '000
Net impairment loss on/(reversal):				
- trade receivables	1,426	2,312	9,774	2,193
- inventories	2,244	(2,166)	2,646	4,508
Depreciation of:				
- property, plant and equipment	3,043	2,438	11,062	9,468
- right-of-use assets	124	66	323	238
- investment properties	55	69	217	274
Amortisation of intangible assets	31	27	112	129
Property, plant and equipment written off	2	88	2,370	170
Gain on disposal of asset held for sale	-	-	(17,080)	-
Gain on disposal of property, plant and equipment	(698)	(579)	(3,215)	(1,340)
Finance cost	6,506	5,154	24,599	18,365
Finance Income	(79)	(862)	(1,374)	(1,439)
Rental Income	(1,022)	(428)	(1,378)	(3,114)
(Gain)/Loss on foreign exchange	(239)	11	(2,245)	(79)

B 14. Authorisation for issue

This Interim Financial Report of Unitrade Industries Berhad for the fourth quarter ended 31 March 2024 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 28 May 2024.