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GROUP ASSIGNMENT

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GROUP ANN JOO RESOURCES BERHAD

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TABLE OF CONTENT

1.0 INTRODUCTION

2.0 ANN JOO RESOURCES BERHAD FINANCIAL RATIO ANALYSIS

2.1 LIQUIDITY RATIO OF ANN JOO RESOURCES BERHAD

2.1.1 Current ratio

2.1.2 Acid test quick ratio

2.1.2 Average collection period

2.1.4 Account receivable turnover

2.1.5 Inventory turnover

2.2 CAPITAL STRUCTURE RATIOS OF ANN JOO RESOURCES BERHAD

2.2.1 Debt Ratio

2.2.2 Times interest earned

2.3 ASSET MANAGEMENT EFFICIENCY RATIOS OF ANN JOO RESOURCES

2.3.1 Total assets turnover ratio

2.3.2 Fixed asset turnover ratio

2.4 PROFITABILITY RATIOS OF ANN JOO RESOURCES BERHAD

2.4.1 Gross profit margin

2.4.2 Operating profit margin

2.4.3 Net profit margin

2.4.4 Operating return on assets

2.4.5 Return on equity

2.5 MARKET VALUE RATIOS OF ANN JOO RESOURCES BERHAD

2.5.1 Price earnings ratio

2.5.2 Market-to-Book Ratio

3.0 SUMMARY OF ANALYSIS

4.0 RECOMMENDATIONS

APPENDICES

1.0 BACKGROUND & NATURE TECHNOLOGY ANN JOO RESOURCES BERHAD

Ann Joo Resources Berhad listed on the Main Market of Bursa Malaysia Securities Bhd since 26 November 1996, is an investment holding company. Ann Joo Resources Berhad is a public limited company best known for manufacturing and trading of steel and steel related commodities. The Ann Joo company started in 1946 as a scrap metal dealer founded by the late Mr. Lim Kah Seng. Due to the vision and strong entrepreneurial spirit possessed by the late Mr. Lim Kah Seng has brought a lot of success to their Group. Until able to grow rapidly for many years until today. In 1996, on the 26th of November. Ann Joo Resources Berhad has been listed on the Main market of Bursa Malaysia Securities Berhad. Ann Joo is highly regarded in the field of manufacturing steel-related commodities. and has earned his own title as one of the most skilled steel experts in Malaysia which can be attributed to his abundant experience and prowess. Other industries such as the engineering and construction industry have benefited greatly from Ann Joo's products ranging from wire rods to steel bars that have been produced by the steel fabrication logi. Ann Joo Resources Berhad is an investment holding company. The group is also mainly involved in manufacturing and trading of steel related products. Through their steel manufacturing plant they are focused on the production of steel products consisting of billets, bars and wire rods used in the construction and engineering sectors. Ann joo's upstream development in business can further increase efficiency and enable this group of companies to excel as one of the leading steel manufacturing groups not only in Malaysia but internationally. This manufacturing activity has complemented the downstream.

In the trade section, Ann joo company deals with a widely diversified product portfolio also consisting of a variety of flat and long steel to be supplied to economic sectors such as oil and gas, petrochemicals, cooking oil, food and beverages, consumer electronics in the construction sector and infrastructure. In fact, in the trading side of the company Ann Joo is also a major supplier in the intensive sector of infrastructure and engineering fabrication and also maintains an outstanding presence as one of the country's leading distributors of a range of various shapes, sizes and dimensions that have supported and complemented the steel trading business. Ann Joo Berhad has more than 2,000 employees operating throughout the country including Malaysia. Ann Joo's company also continues to strive to recruit and retain the best in their organization. Most of its employees have served in Ann Joo Company for more than 20 years, they have lent their experience and expertise to achieve the goals and objectives of their company.

2.0 ANN JOO'S FINANCIAL RATIO ANALYSIS

2.1 Liquidity Ratios of Ann Joo Resources Berhad

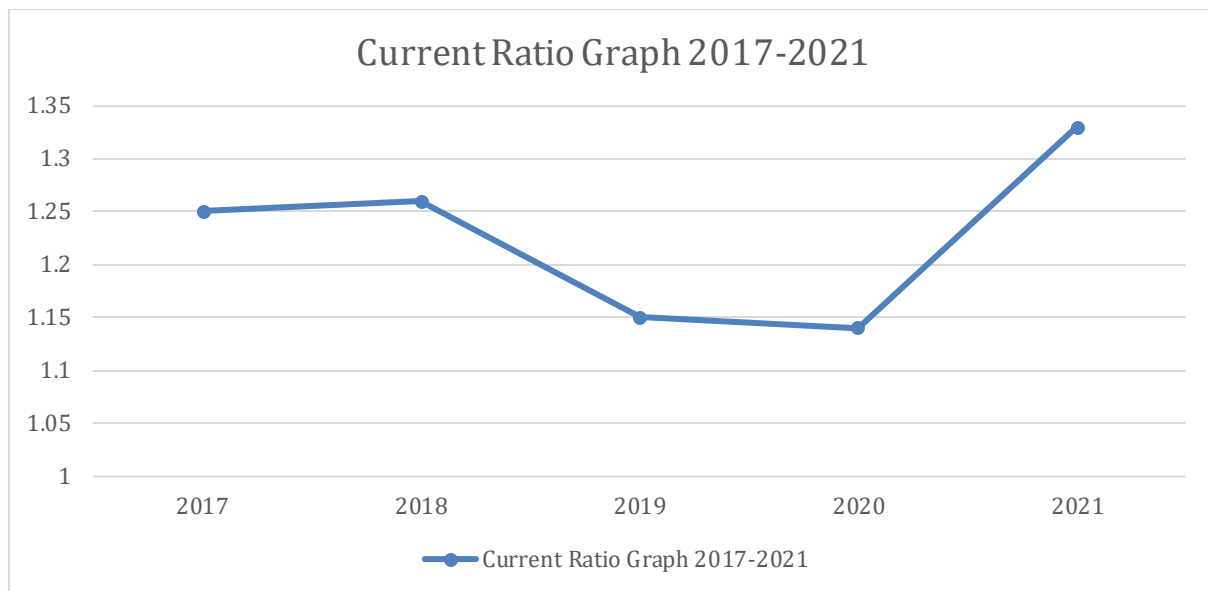
Liquidity ratios are measurements used to determine a debtor's capability to pay off their short-term financial obligations.

2.1.1 Current Ratio

The current ratio is used to measure the company or business's ability to pay short-term debts due within a year.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Year	Current Assets	Current Liabilities	Equation	Current Ratio
2017	1 343 294	1 074 157	$\frac{1\ 343\ 294}{1\ 074\ 157} = 1.25 \text{ times}$	1.25: 1
2018	1 689 515	1 339 210	$\frac{1\ 689\ 515}{1\ 339\ 210} = 1.26 \text{ times}$	1.26: 1
2019	1 407 549	1 224 603	$\frac{1\ 407\ 549}{1\ 224\ 603} = 1.15 \text{ times}$	1.15: 1
2020	1 207 627	1 057 037	$\frac{1\ 207\ 627}{1\ 057\ 037} = 1.14 \text{ times}$	1.14: 1
2021	1 657 704	1 244 313	$\frac{1\ 657\ 704}{1\ 244\ 313} = 1.33 \text{ times}$	1.33: 1



Current Ratio Analysis

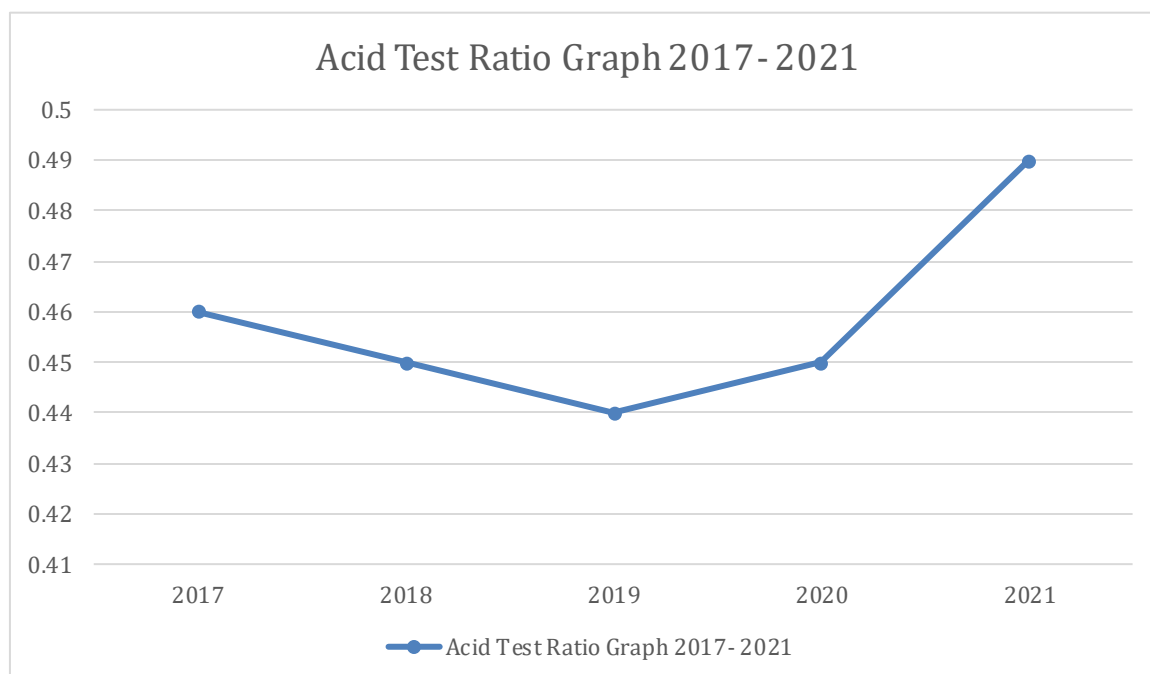
The current ratio of Ann Joo Resources represents an insignificant change within the 5 years. The highest current ratio is 1.33: 1 in 2021. This shows that the ability of Ann Joo to pay back its debt is 1.33 times. The lowest current ratio is in 2020 with 1.14: 1, showing the capability to pay back their short term is low at 1.14 times.

2.1.2 Acid Test (Quick) Ratio

Acid test (Quick) ratio to measure liquidity using the more liquid types of current assets. In other words, the Acid test (Quick) is a measure of how significantly and well a company's short-term assets are good enough to cover current liabilities.

$$\text{Acid Test (Quick) Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Year	Current Assets	Inventory	Current Liabilities	Equation	Acid Test Ratio
2017	1 343 294	846 718	1 074 157	$\frac{1\,343\,294 - 846\,718}{1\,074\,157} = 0.46 \text{ times}$	0.46: 1
2018	1 689 515	1 085 366	1 339 210	$\frac{1\,689\,515 - 1\,085\,366}{1\,339\,210} = 0.45 \text{ times}$	0.45: 1
2019	1 407 549	872 231	1 224 603	$\frac{1\,407\,549 - 872\,231}{1\,224\,603} = 0.44 \text{ times}$	0.44: 1
2020	1 207 627	733 486	1 057 037	$\frac{1\,207\,627 - 733\,486}{1\,057\,037} = 0.45 \text{ times}$	0.45: 1
2021	1 657 704	1 049 233	1 244 313	$\frac{1\,657\,704 - 1\,049\,233}{1\,244\,313} = 0.49 \text{ times}$	0.49:1



Acid Test Ratio Analysis

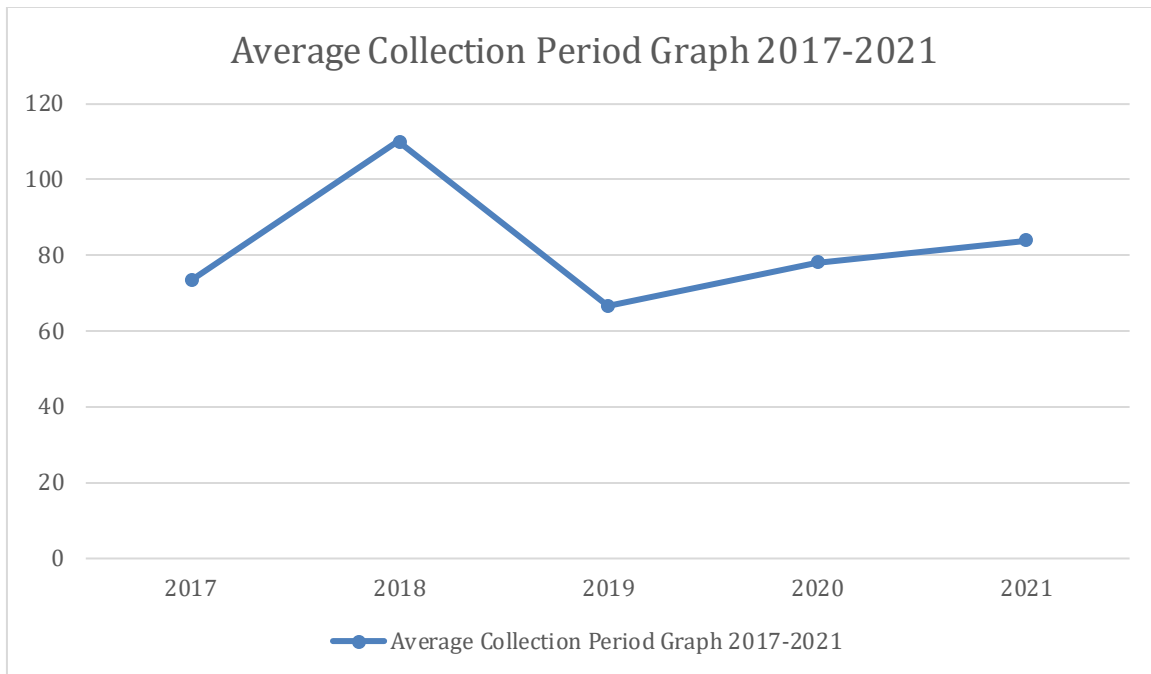
The acid test ratio of Ann Joo Resources represents an insignificant change within the 5 years. The highest acid test ratio is 0.49: 1 in 2021. This shows that the ability of Ann Joo to pay short-term obligations is 0.49 times. The lowest current ratio is in 2019 with 0.44: 1, showing the capability to pay back their short term is low at 0.44 times

2.1.3 Average Collection Period

The average collection period is a measure of how efficiently the company converts its outstanding accounts receivable into cash. The average collection period also refers to the average time it takes for the company to collect or receive the payments due to it by clients or customers.

$$\text{Average Collection Period} = \frac{\text{Account Receivables}}{\text{Annual Credit Sales}/365 \text{ days}}$$

Year	Accounts Receivables	Credit Sales/Revenue	Equation	Average Collection period
2017	429 994	2 138 683	$\frac{429\,994}{2\,138\,683 / 365 \text{ days}}$	73.5 days
2018	520 420	1 723 421	$\frac{520\,420}{1\,723\,421 / 365 \text{ days}}$	110.2 days
2019	406 165	2 221 435	$\frac{406\,165}{2\,221\,435 / 365 \text{ days}}$	66.7 days
2020	404 755	1 891 199	$\frac{404\,755}{1\,891\,199 / 365 \text{ days}}$	78.1 days
2021	535 797	2 330 606	$\frac{535\,797}{2\,330\,606 / 365 \text{ days}}$	83.9 days



Average Collection Period Analysis

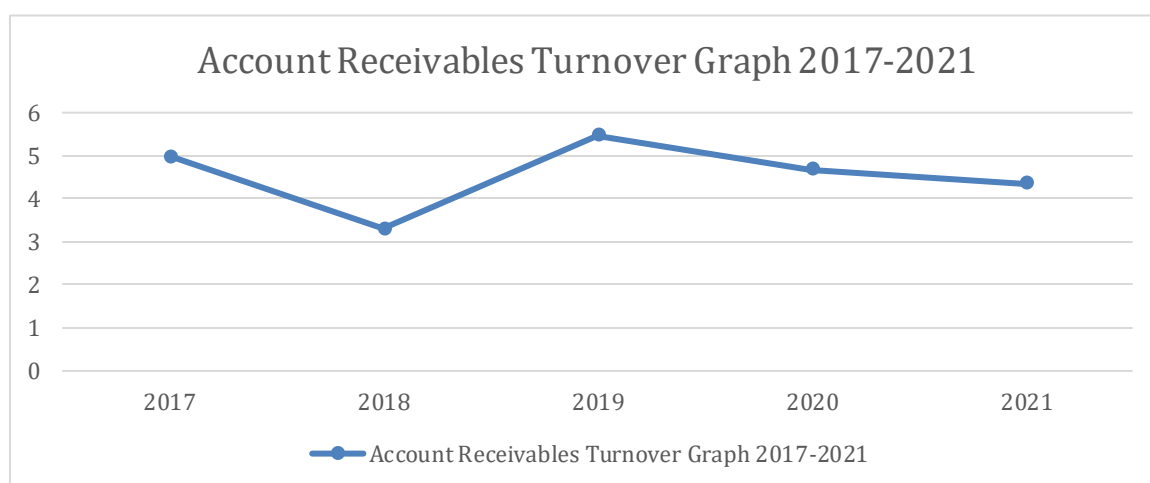
The average Collection Period shows an unstable movement with big differences in value within 5 years. The highest average collection period is in 2018 which indicates the challenge of the Ann Joo takes 110.2 days to collect their receivables. The lowest average collection period is in 2019, 66.7 days indicates that a company is efficient in collecting its receivables.

2.1.4 Account Receivable Turnover

Account receivable turnover measures how efficiently the company earns income from its customers. It counts the number of times the company collects its average accounts receivable amount within that time.

$$\text{Account Receivables Turnover} = \frac{\text{Annual Credit Sales}}{\text{Account Receivables}}$$

Year	Annual Credit Sales	Account Receivables	Equation	Account Receivables Turnover
2017	2 138 683	429 994	$\frac{2\ 138\ 683}{429\ 994} = 4.97 \text{ times}$	4.97: 1
2018	1 723 421	520 420	$\frac{1\ 723\ 421}{520\ 420} = 3.31 \text{ times}$	3.31: 1
2019	2 221 435	406 165	$\frac{2\ 221\ 435}{406\ 165} = 5.46 \text{ times}$	5.46: 1
2020	1 891 199	404 755	$\frac{1\ 891\ 199}{404\ 755} = 4.67 \text{ times}$	4.67: 1
2021	2 330 606	535 797	$\frac{2\ 330\ 606}{535\ 797} = 4.35 \text{ times}$	4.35: 1



Account Receivables Turnover Analysis

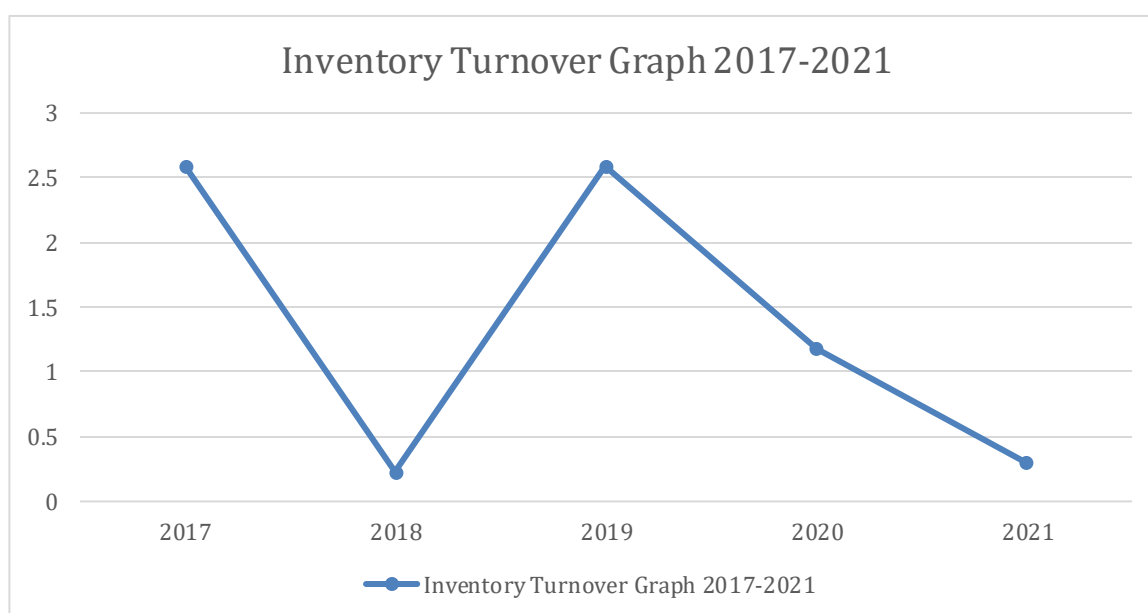
Account receivables turnover for Ann Joo shows a significant change for the consecutive 5 years. The highest account receivables turnover is 5.46:1 in 2019 generally indicates better collecting payment from customers where it takes 5.46 times. The lowest is 3.31:1 in 2018, which show that a company take a longer time to collect the payment from customer 3.31 times.

2.1.5 Inventory Turnover

Inventory turnover measures the number of times inventory is sold or used during a given period, such as a year. It is calculated to determine whether a company has an excessive inventory related to its sales level.

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Inventories}}$$

Years	Cost Of Goods Sold	Inventory	Inventory Turnover
2017	2 193 989	846 718	$\frac{2\,193\,989}{846\,718} = 2.59 \text{ times}$
2018	200 821	846 718	0.23 times
2019	2 264 370	872 231	2.59 times
2020	864 122	733 486	1.18 times
2021	-321 531	1 049 233	0.30 times



Inventory Turnover Analysis

Account receivables turnover for Ann Joo shows a significant change for the consecutive 5 years. The highest account receivables turnover is 2.59 times in 2017 and 2019. The lowest account receivable turnover is 0.23 times in 2018, 1.18 times in 2020 and 0.30 times in 2021.

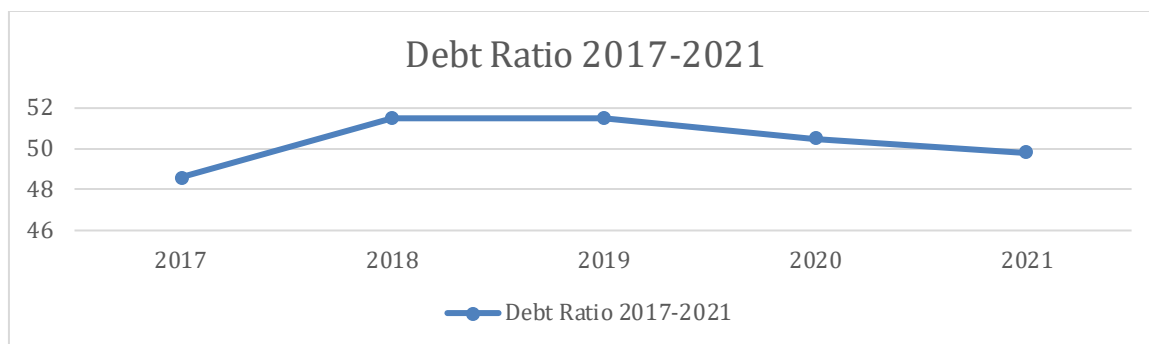
2.2 Capital Structure Ratios

This ratio is the basic ratio of capital structure, calculated during the vertical analysis of the liabilities part of the balance sheet. It is used to assess the correctness of the equity level with respect to foreign capital (i.e. debt)

2.2.1 Debt Ratio

$$\text{Debt Ratio} = \frac{\text{Total Liabilities}}{\text{Total Assets}} \times 100$$

Years	Total Liabilities	Total Assets	Debt Ratio
2017	1 161 509	2 388 848	$\frac{1\ 161\ 509}{2\ 388\ 848} \times 100 = 48.6\%$
2018	1 406 083	2 731 332	51.5 %
2019	1 294 603	2 498 922	51.8 %
2020	1 126 025	2 231 610	50.5 %
2021	1 310 586	2 633 439	49.8 %



Debt Ratio Analysis

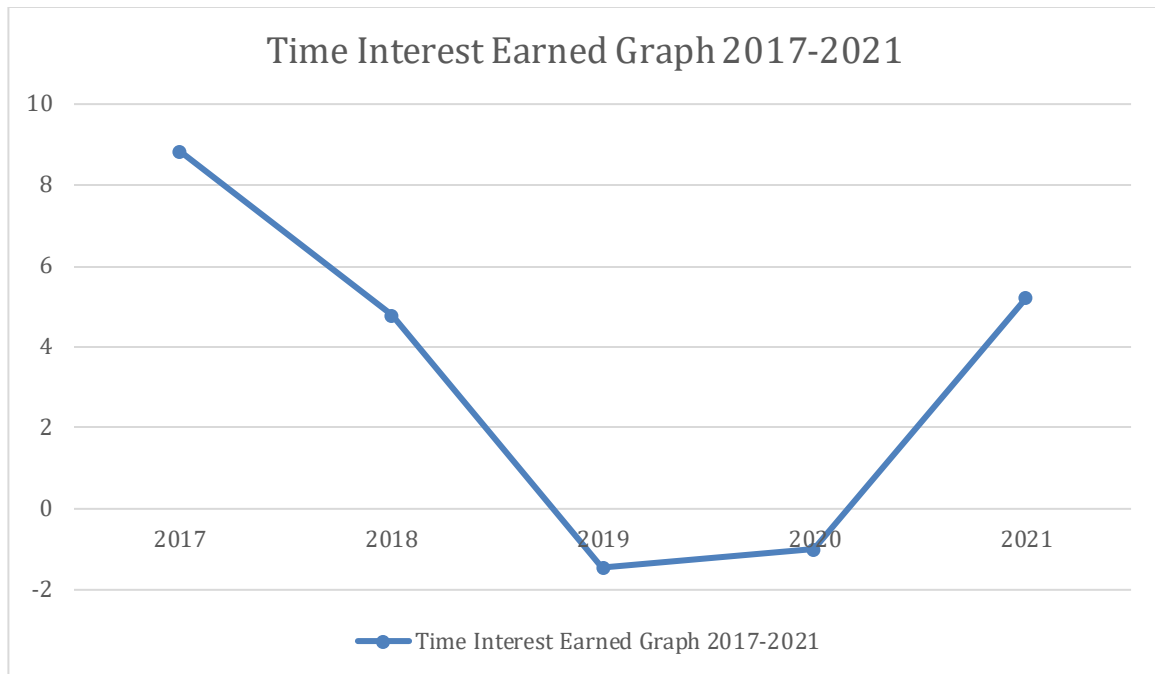
Debt Ratio for Ann Joo shows a significant change for the consecutive 5 years. The highest debt ratio is 51.8 % in 2019. The lowest is 48.6% in 2017. Overall, Ann Joo shows a high debt ratio value for 5 consecutive years.

2.2.2 Time Interest Earned

Time interest earned is the measure of a company's ability to meet debt obligations, based on its current income. It is also referred to as the interest coverage ratio.

$$\text{Time Interest Earned} = \frac{\text{Net Operating Income or EBIT}}{\text{Interest Expense}}$$

Years	Net Operating Income or EBIT	Interest Expense	Time Interest Earned
2017	288 418	3262	$\frac{288\,418}{3262} = 8.84 \text{ times}$
2018	186 159	3897	4.78 times
2019	-121 340	8351	-1.45 times
2020	-39 046	3904	-1.00 times
2021	279 318	5368	5.20 times



Time Interest Earned Analysis

The highest time interest earned for Ann Joo is 8.84 times in 2017. Ann Joo shows that their operation are much more profitable than any of its peers, which will also result in more profits. However, the time interest earned 3 years after that decreased, in 2019 and 2020 the time interest earned showed a negative value. Then increase again in 2021 to 5.20 times.

2.3 Asset Management Efficiency Ratios

Asset management efficiency ratios is the measure the ability of assets to generate revenues or earnings. Assets management ratios analysis is important and helpful, and allow the company to understand the overall level of efficiency of which a business is performing.

2.3.1 Total Asset Turnover

The asset turnover is a measurement that shows how efficiently a company is using its owned resources to generate revenue or sales.

$$\text{Total Asset Turnover} = \frac{\text{Sales}}{\text{Total Assets}}$$

Years	Sales	Total Assets	Total Asset Turnover
2017	2 195 212	2 388 848	$\frac{2\ 195\ 212}{2\ 388\ 848} = 0.91 \text{ times}$
2018	2 322 108	2 731 332	0.85 times
2019	2 221 435	2 498 922	0.88 times
2020	1 891 199	2 231 610	0.84 times
2021	2 395 704	2 633 439	0.90 times

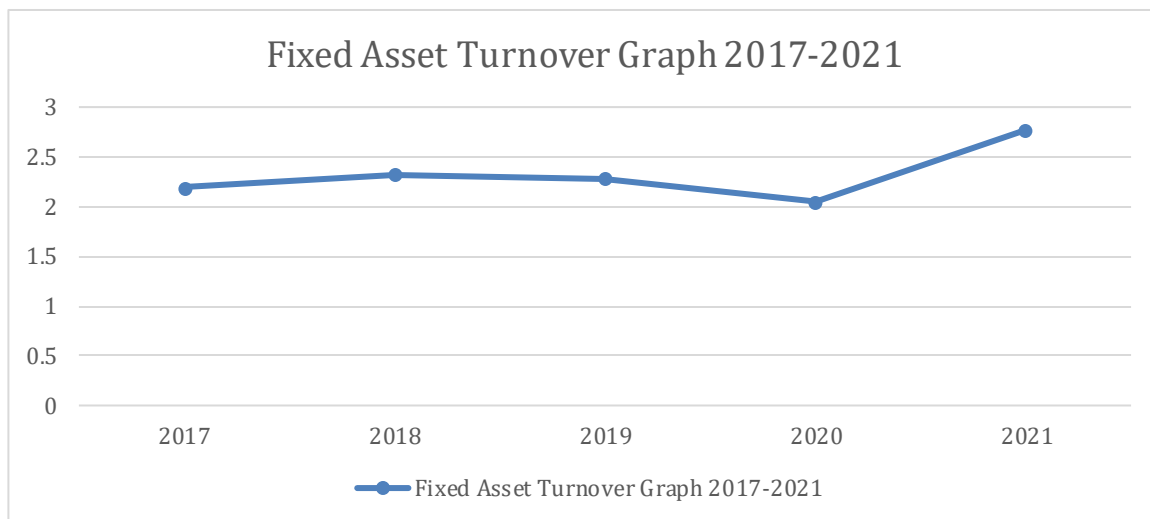
Total Asset Turnover Analysis

Total Asset Turnover for Ann Joo shows a significant change for the consecutive 5 years. The highest total asset turnover is 0.91 times in 2017. The lowest total asset turnover is 0.84 times in 2020.

2.3.2 Fixed Asset Turnover

$$\text{Fixed Asset Turnover} = \frac{\text{Sales}}{\text{Net Plant and Equipment}}$$

Years	Sales	Net Plant and Equipment	Fixed Asset Turnover
2017	2 195 212	1 001 544	$\frac{2\,195\,212}{1\,001\,544} = 2.19 \text{ times}$
2018	2 322 108	1 000 582	2.32 times
2019	2 221 435	970 370	2.28 times
2020	1 891 199	919 701	2.05 times
2021	2 395 704	864 361	2.77 times



Fixed Asset Turnover Analysis

The fixed asset turnover of Ann Joo Resouces represents an insignificant change within the 5 years. The highest fixed asset turnover of Ann Joo is 2.77 times in 2021. The lowest fixed asset turnover is 2.05 times in 2020.

2.4 Profitability Ratios

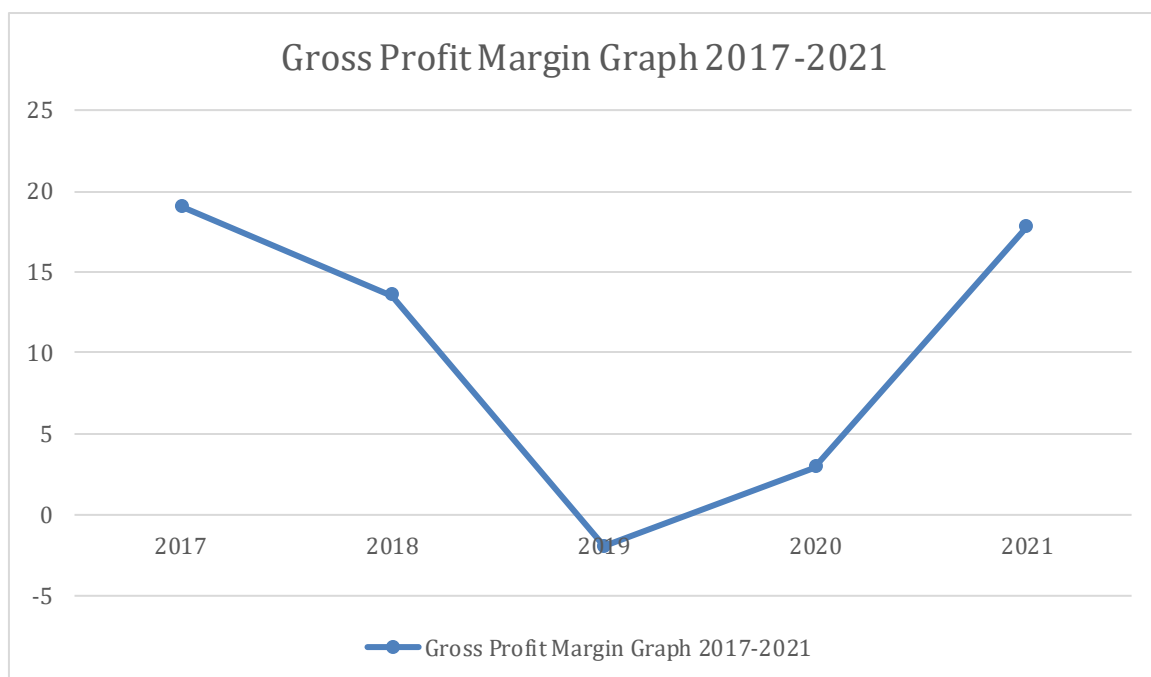
Profitability ratios can be used along with efficiency ratios, which will consider how well a company uses its assets internally to generate income. Profitability ratios can shed light on how well a company's management is operating business.

2.4.1 Gross Profit Margin

Gross profit margin is a profitability ratio that compares the gross margin of company to its revenue. It will show how much profit a company makes after paying off its Cost of Goods Sold (COGS).

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

Year	Gross Profits	Sales	Gross Profit Margin
2017	418 826	2 195 212	$\frac{418\,826}{2\,195\,212} = 19.07\%$
2018	314 353	2 322 108	13.53 %
2019	-42 935	2 221 435	-1.93 %
2020	54 942	1 891 199	2.90 %
2021	424 967	2 395 704	17.73 %



Gross Profit Margin Analysis

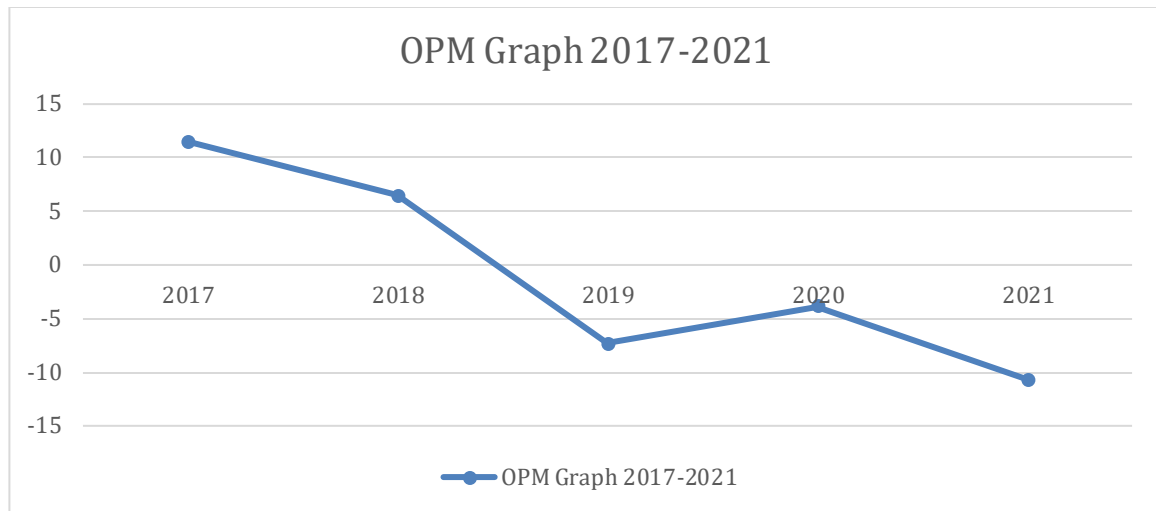
According to the graph above, Ann Joo shows unstable movement such up and down throughout the five years. The highest Ann Joo achieved is 15.52% in 2018. The company has sufficient sales to cover their cost of goods sold. However, in 2019 and 2020 Ann Joo suffered a loss which is Ann Joo recorded a loss of -13.71% in 2019 and -25.45% in 2020. Then achieved profit again in 2021 by recording 9.37. In conclusion, as long as Ann Joo has a high gross profit margin it will indicate that the company can make reasonable profit on sales and keep overhead costs in control.

2.4.2 Operating Profit Margin

Operating Profit Margin measures how much profit a company makes after paying for variable costs of production, such as wages and raw materials, before paying interest or tax. Operating profit margin is a good indicator of how well it is being managed and how efficient it is at generating profits from sales.

$$\text{Operating Profit Margin} = \frac{\text{Net Operating Income or EBIT}}{\text{Sales}} \times 100$$

Year	Net Operating Income or EBIT	Sales	Operating Profit Margin
2017	252 848	2 195 212	$\frac{252\ 848}{2\ 195\ 212} \times 100 = 11.5\ %$
2018	149 940	2 322 108	6.45 %
2019	-161 979	2 221 435	-7.29 %
2020	-74 295	1 891 199	-3.92 %
2021	-255 672	2 395 704	-10.67 %



Operating Profit Margin Analysis

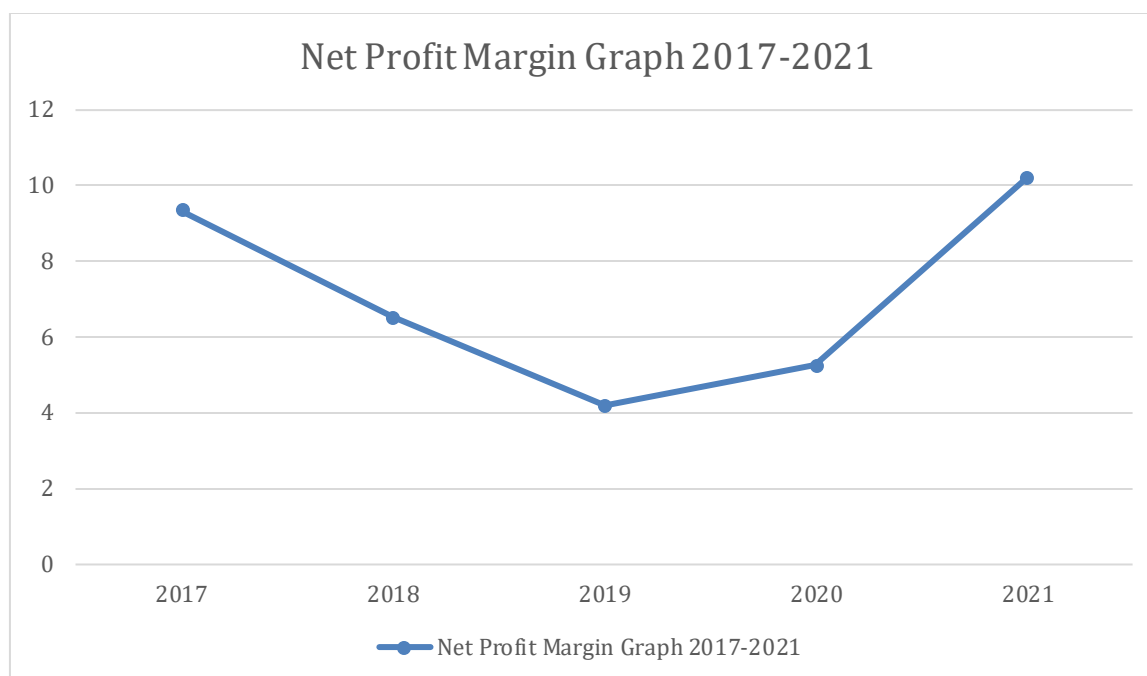
According to the graph above, Ann Joo shows unstable movement throughout the five years. This is because Operating Profit Margin shows a negative value for five consecutive years. This shows that the operating costs are too high in Ann Joo company. In conclusion, Ann Joo should gauge the management's effectiveness in reducing costs and increasing efficiencies over time.

2.4.3 Net Profit Margin

Net profit margin is a financial ratio used to calculate the percentage of profit a company produces from its total revenue. It measures the amount of net profit a company obtains per dollar of revenue gained. Net profit is calculated by deducting all expenses from its total revenue.

$$\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Sales}} \times 100$$

Year	Net Income	Sales	Net Profit Margin
2017	205 384	2 195 212	$\frac{(8\,378\,000)}{369\,252\,000} \times 100 = 9.35\%$
2018	151 591	2 322 108	6.52 %
2019	(93 368)	2 221 435	4.20 %
2020	(99 606)	1 891 199	5.26 %
2021	244 792	2 395 704	10.21%



Net Profit Margin Analysis

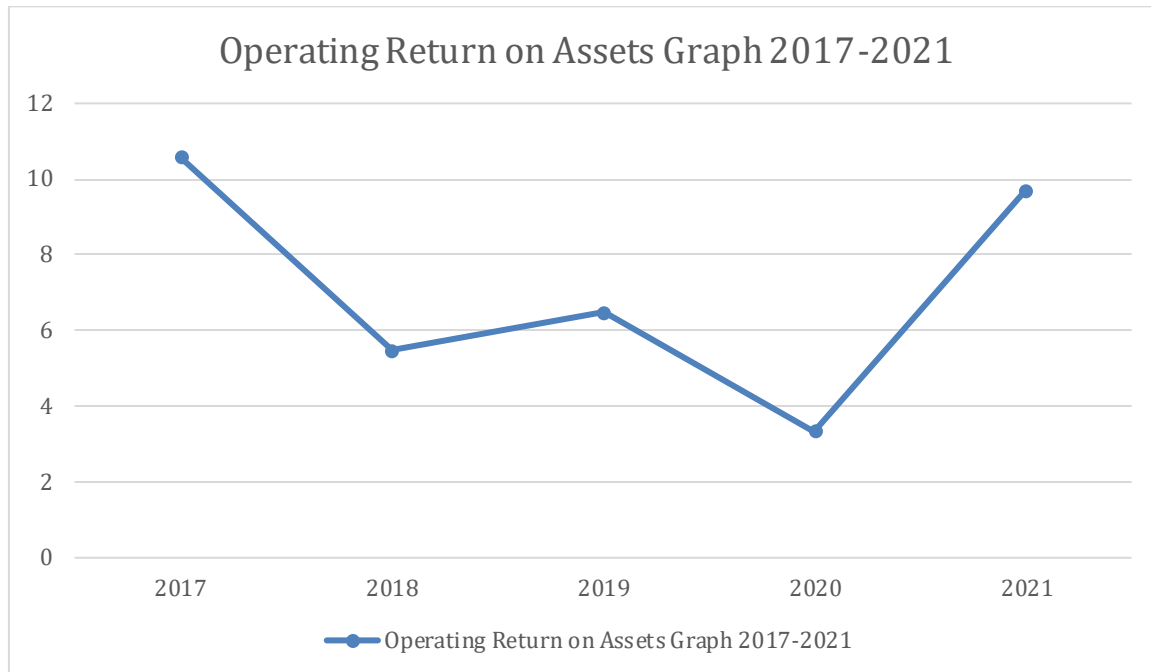
The net profit margin of Ann Joo is fluctuated through out the five years. The highest margin achieved by Ann Joo is 10.21% which is in 2021. The higher the net profit margin of a company , the more money the company can keep. Ann Joo recorded the lowest margin in 2019 which is 4.20 %. To conclude the whole figure , Ann Joo shows an unstable pattern of the company's margin.

2.4.4 Operating Return on Assets

Operating return on assets is used to show a company's operating income that is generated per dollar invested specifically in its assets that are used in its everyday business operations.

$$\text{Operating Return on Assets} = \frac{\text{Net Operating Income or EBIT}}{\text{Total Assets}} \times 100$$

Year	Net Operating Income or EBIT	Total Assets	Operating Return on Assets
2017	252 848	2 388 848	$\frac{41\,675\,000}{305\,720\,000} \times 100 = 10.58\%$
2018	149 940	2 731 332	5.48 %
2019	(161 979)	2 498 922	6.48 %
2020	(74 295)	2 231 610	3.33 %
2021	(255 672)	2 633 439	9.70 %



Operating Return on Assets Analysis

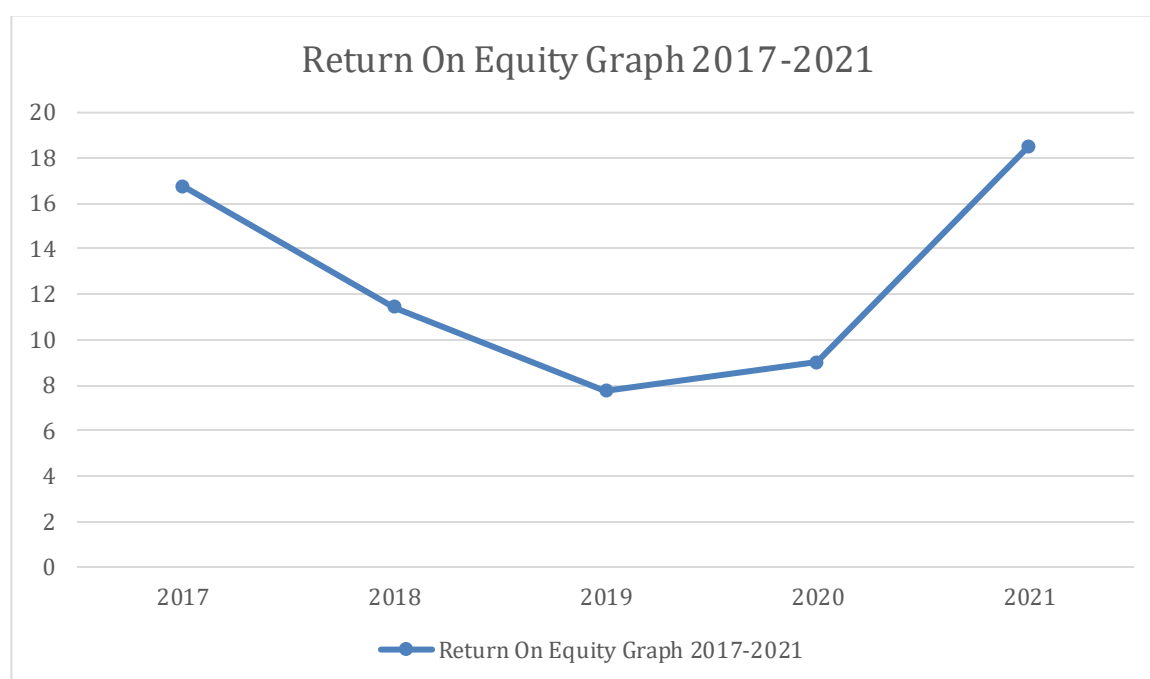
Based on the figure above, Ann Joo shows unstable changes every year. As for the highest record, Ann Joo achieved was in 2017 with 10.58% operating return on assets. In 2019, the company shows that it is earning more money and less investment. Ann Joo faced its deepest fall in 2020 with 3.33% of operating return on assets. This graph shows that the management of Ann Joo still faces a hard time with the operating return on assets.

2.4.5 Return on Equity

Return on Equity is a two-part ratio in its derivation because it brings together the income statement and the balance sheet, where net income or profit is compared to the shareholder's equity.

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Common Equity}} \times 100$$

Year	Net Income	Common Equity	Return on Equity
2017	205 384	1 227 339	$\frac{205\,384}{1\,227\,339} \times 100 = 16.73\%$
2018	151 591	1 325 249	11.43 %
2019	(93 368)	1 204 634	7.75 %
2020	(99 606)	1 105 585	9.01 %
2021	244 792	1 322 853	18.50%



Return On Equity Analysis

Based on the figure above, Ann Joo shows an unstable movement throughout the five years. The highest return on equity recorded in 2021 for Ann Joo with 18.50%. This indicates that Ann Joo is doing well on managing shareholders' capital. In 2019, Ann Joo has the lowest return on equity with 7.75%. This situation will influence the company's efficiency in managing their capital. To conclude, Ann Joo should find any significant changes in the company to improve the company return on equity.

2.5 Market Value Ratios

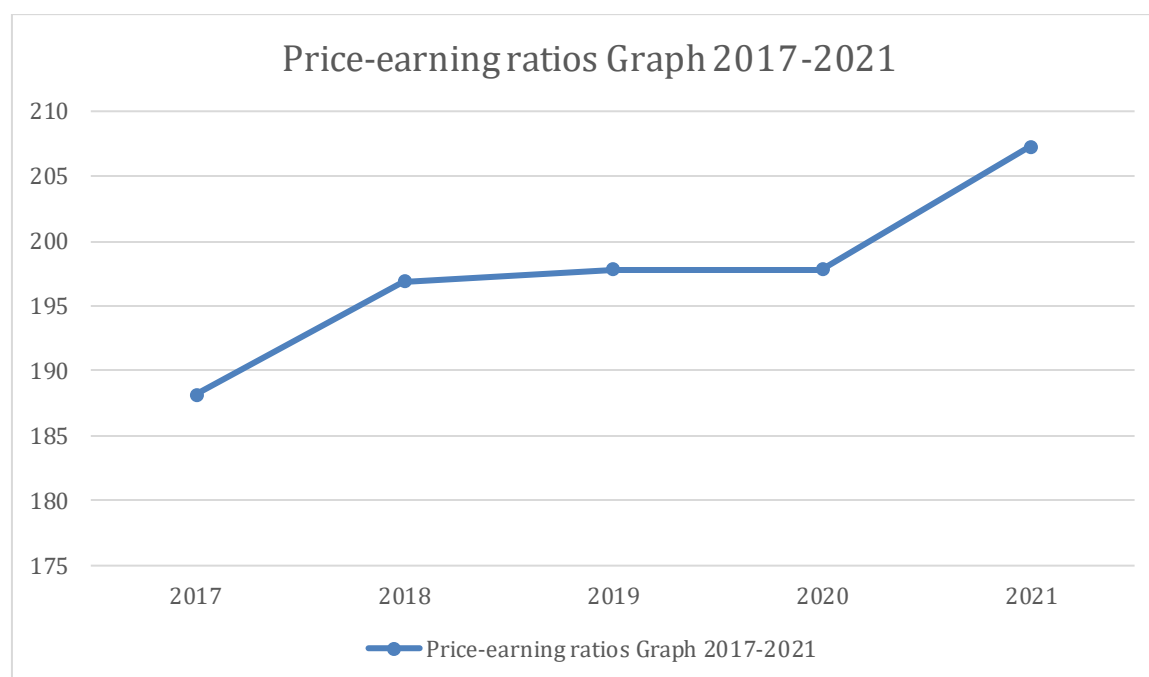
Market Value Ratios are financial metrics that measure and analyze stock prices and compare market prices. These ratios track the financial performance of public companies to understand their position in the market.

2.5.1 Price-Earning Ratios

Price-earning ratios is the ratio for valuing a company that measures its current share price relatives to its earning per share.

$$\text{Price – Earning Ratios} = \frac{\text{Market Price Per Share}}{\text{Earning Per Share}}$$

Years	Market price per share	Earnings per share	Price-earning ratios
2017	647 319	3440	$\frac{647\ 319}{3\ 440} = 188.17 \text{ times}$
2018	543 722	2762	196.85 times
2019	546 382	2762	197.82 times
2020	546 382	2762	197.82 times
2021	552 040	2663	207.30 times



Price-Earning Ratios Analysis

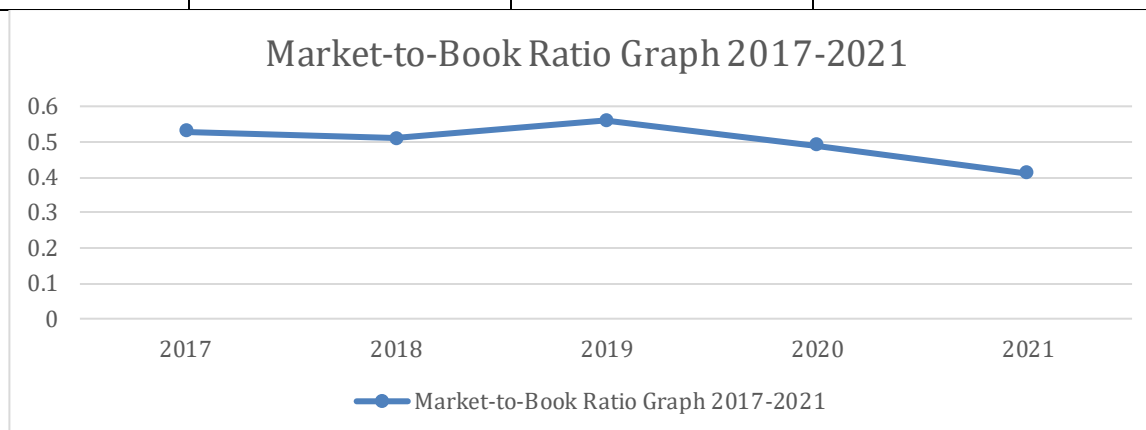
Based on the graph, the price-earning ratios showing a positive results in each years. It is because the value of price-earning ratios are increases at every years.

2.5.2 Market-to-Book Ratios

Market-to-book ratio is a ratio used to measure the stock market value of a company compared to the book value of the company.

$$\text{Market-to-Book Ratio} = \frac{\text{Market Price per Share}}{\text{Book Value per Share}}$$

Years	Market Price per Share	Book Value per Share	Market-to-Book Ratio
2017	647 319	1 227 339	$\frac{647\,319}{1\,227\,339} = 0.53 \text{ times}$
2018	680 310	1 325 249	0.51 times
2019	677 650	1 204 634	0.56 times
2020	546 382	1 105 582	0.49 times
2021	552 040	1 322 853	0.41 times



Market-to-Book Ratio Analysis

Based on the graph, the market-to-book ratios showing a changes results in each years. The highest market to book ratios is 0.56 times in 2019. Then the lowest market to book ratios is 0.41 times for the last year which is in 2021. But overall, a market to book ratio is below 1, that is means indicates that it may be undervalued.

3.0 Summary Of Analysis

It is to be concluded for this study that, the results of the study analyzing the financial statements of Ann Joo Resources we were able to evaluate the company performance. There are many financial ratios used in doing this analysis such as liquidity ratios, capital structure ratios, asset management efficiency ratios, profit ratios and market value ratios. All the formulas and function are applied to attain an specific requirement of the company as the part of the Ann Joo Resources Berhad financial strategy.

Overall, we analysis of liquidity ratios that measures the availability of the Ann Joo Resources company liquid resources. There are five ratios we analysis which are current ratio, asid test ratio, average collection period, accounts receivable turnover, and inventory turnover. Secondly, we analyse capital structure ratios. In these analysis we analyse two types of capital structure which is debt ratio and times interest earned. Thirdly, we also analyze the asset management efficiency ratios of Ann Joo. We use two formula in while analysing this ratios which is total asset turnover and fixed asset turnover. In addition, we also analyse Ann Joo company's profitability ratios. In this evaluating, five formulas that have been used which are gross profit margin, operating profit margin, net profit margin, operating return on asset, and return on equity. Lastly, we analyse market value. Based on this study has proven that Ann Joo company has a stable financial statement even though in 2020 it has experienced a slight decrease but it increase again in 2021.

4.0 RECOMMENDATION

These are recommendations to consider when trying to improve the company's business finances. The first one is Ann Joo need to maintain or raise their liquidity ratio to gain more trusted investor to the company by showing them that their company have an ability to pay off their current debts with its current assets. One way to improve their company's liquidity ratios is by control overhead expenses. There are many types of overhead that you may be able to reduce such as rent, utilities, and insurance by negotiating or shopping around. They can explore how to identify potential cash shortfalls and tips for more effectively managing their cash flow. Besides, to increase more income, Ann Joo need to manage their capital structure. The first one by increasing sales revenue. This can be achieved by raising prices, increasing sales, or reducing costs. The extra cash generated can then be used to pay of existing debt. The other one is by restructuring existing debt to optimize the capital structure. This might involve negotiating better terms, extending repayment periods, or refinancing at lower interest rates.

Plus, Ann Joo also need to make sure profitability ratios always in good condition to maintain the financial of the company. The way Ann Joo can do to improve their profitability is by create budgets because developing budgets can help set strict limits on the amount that a business can spend on certain areas, decreasing the overall expenses of the business. Creating salary caps, decreasing administrative costs are all ways to decrease expenses using budgets. The last one is Ann Joo should increase market value ratio as this ratio is one of the most popular ratio among the potential investor to see and decide if they want to invest to this company or not. It also indicates that investors believe the company has excellent future prospects for growth, expansion, and increased profits.

APPENDICES

STATEMENT OF FINANCIAL POSITION OF ANN JOO RESOURCES BERHAD

STATEMENT FINANCIAL POSITION 2017

STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Note	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	2,195,212	1,870,050	97,094	-
Cost of sales	(1,776,366)	(1,595,322)	-	-
Gross profit	418,826	384,728	97,094	-
Other operating income	18,263	2,428	396	9
Administrative expenses	(92,494)	(76,637)	(1,695)	(2,279)
Distribution expenses	(39,590)	(40,841)	-	-
Other operating expenses	(16,547)	(6,250)	(47,000)	-
Results from operating activities	288,418	243,428	48,884	(2,276)
Interest income	3,262	2,228	21	107
Finance costs	(38,832)	(43,916)	(3,483)	(301)
Operating profit/(loss)	252,848	202,140	45,422	(2,470)
Share of results of associates	13	(12)	-	-
Profit/(Loss) before tax	252,861	202,128	45,422	(2,470)
Income tax expense	(47,477)	(35,353)	(22)	-
Profit/(Loss) for the year	205,384	166,775	45,400	(2,470)
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(2,297)	870	-	-
Change in fair value of equity securities classified as available-for-sale	9	31	-	-
Net movement on cash flow hedges: Foreign currency forward contracts	313	(223)	-	-
Other comprehensive (loss)/income for the year, net of tax	(1,975)	678	-	-
Total comprehensive income/(loss) for the year	203,409	167,453	45,400	(2,470)
Profit/(Loss) attributable to:				
Owners of the Company	205,384	166,775	45,400	(2,470)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	203,409	167,453	45,400	(2,470)
Earnings per ordinary share (sen):				
Basic	40.5	33.3	-	-
Diluted	33.9	32.6	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

87

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

Note	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	12	1,001,544	1,019,188	-
Prepaid lease payments	13	10,208	10,327	-
Investment properties	14	3,964	4,011	1,719
Intangible assets	15	7,468	7,468	-
Investment in subsidiaries	16	-	-	880,724
Investment in associates	17	499	486	-
Other investments	18	69	60	-
Deferred tax assets	19	21,802	50,969	-
Total non-current assets		1,045,554	1,092,709	882,443
Current assets				
Inventory	20	846,718	830,764	-
Receivables and prepayments	21	429,994	336,276	71,799
Derivative assets		256	-	-
Current tax assets		9,837	6,138	8
Cash and bank balances	22	56,529	54,941	304
Total current assets		1,343,294	1,228,119	72,103
TOTAL ASSETS		2,388,848	2,320,828	954,546

88

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

Note	The Group		The Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	23	573,163	522,842	573,163
Treasury shares	24	(74,156)	(71,389)	(74,156)
Redeemable Convertible Cumulative Preference Shares ("RCPS") - Equity component	25	3,440	3,926	3,440
Other reserves	26	69,793	86,920	7,297
Retained earnings	26	655,099	525,840	389,080
Total equity		1,227,339	1,068,139	898,824
Non-current liabilities				
Loans and borrowings	27	1,384	1,831	-
RCPS - Liability component	25	51,969	58,610	51,969
Provision for retirement benefits	28	5,207	6,307	-
Deferred tax liabilities	19	28,792	18,056	-
Total non-current liabilities		87,352	84,804	51,969
Current liabilities				
Loans and borrowings	27	844,063	956,657	-
Payables and accruals	29	229,426	210,828	3,750
Derivative liabilities		25	221	-
Current tax liabilities		643	179	3
Total current liabilities		1,074,157	1,167,885	3,753
Total liabilities		1,161,509	1,252,689	55,722
TOTAL EQUITY AND LIABILITIES		2,388,848	2,320,828	954,546

STATEMENT FINANCIAL POSITION 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Note	The Group		The Company		
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	
	Revenue	2,322,108	2,195,212	4,500	97,094
5	Cost of sales	(2,007,755)	(1,776,366)	-	-
	Gross profit	314,353	418,826	4,500	97,094
	Other operating income	29,613	18,263	-	396
	Administrative expenses	(89,858)	(92,494)	(1,571)	(1,606)
	Distribution expenses	(42,453)	(39,990)	-	-
	Other operating expenses	(25,496)	(16,587)	-	(67,000)
	Results from operating activities	186,159	288,418	2,929	48,884
6	Interest income	3,897	3,262	24	21
7	Finance costs	(40,116)	(38,832)	(2,473)	(3,483)
8	Operating profit	149,940	252,848	480	45,422
	Share of results of associates	7	13	-	-
	Profit before tax	149,947	252,861	480	45,422
9	Income tax (expense)/credit	(403)	(47,477)	13	(22)
	Profit for the year	149,544	205,384	493	45,400
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
	Net change in revaluation of financial investments at fair value through other comprehensive income	(37)	-	-	-
	Items that will be reclassified subsequently to profit or loss:				
	Exchange differences on translating foreign operations	569	(2,297)	-	-
	Change in fair value of equity securities classified as available-for-sale	-	9	-	-
	Net movement on cash flow hedges	1,515	313	-	-
	Other comprehensive income/(loss) for the year, net of tax	2,047	(1,975)	-	-
	Total comprehensive income for the year	151,591	203,409	493	45,400

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

Note	The Group		The Company		
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	
	ASSETS				
	Non-current assets				
	Property, plant and equipment	1,000,582	1,001,544	-	-
12	Prepaid lease payments	9,889	10,208	-	-
13	Investment properties	3,916	3,964	1,698	1,719
14	Intangible assets	7,468	7,468	-	-
15	Investment in subsidiaries	-	-	880,724	880,724
16	Investment in associates	506	499	-	-
17	Other investments	32	69	-	-
18	Deferred tax assets	19,424	21,802	-	-
19					
	Total non-current assets	1,041,817	1,045,554	882,422	882,443
	Current assets				
	Inventories	1,085,366	846,718	-	-
20	Receivables and prepayments	536,096	429,994	43,496	71,799
21	Derivative assets	-	216	-	-
	Current tax assets	12,648	9,837	24	-
	Cash and bank balances	55,405	56,529	40	304
22					
	Total current assets	1,689,515	1,343,294	43,560	72,103
	TOTAL ASSETS	2,731,332	2,388,848	925,982	954,546

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018
cont'd

Note	The Group		The Company		
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	
	EQUITY AND LIABILITIES				
	Capital and reserves				
	Share capital	612,016	573,163	612,016	573,163
23	Treasury shares	(68,294)	(74,156)	(68,294)	(74,156)
24	Redeemable Convertible Cumulative Preference Shares ("RCPS") - Equity component	2,762	3,440	2,762	3,440
25	Other reserves	75,940	69,793	11,397	7,297
26	Retained earnings	702,825	655,099	287,755	389,080
	Total equity	1,325,249	1,227,339	845,636	898,824
	Non-current liabilities				
	Loans and borrowings	1,143	1,384	-	-
27	RCPS - Liability component	42,112	51,969	42,112	51,969
25	Provision for retirement benefits	4,563	5,207	-	-
28	Deferred tax liabilities	19,055	28,792	-	-
19					
	Total non-current liabilities	66,873	87,352	42,112	51,969
	Current liabilities				
	Loans and borrowings	1,020,863	844,063	-	-
27	Payables and accruals	317,975	229,426	38,234	3,750
29	Derivative liabilities	32	25	-	-
	Current tax liabilities	320	643	-	3
	Total current liabilities	1,339,210	1,074,157	38,234	3,753
	Total liabilities	1,406,083	1,161,509	80,346	55,722
	TOTAL EQUITY AND LIABILITIES	2,731,332	2,388,848	925,982	954,546

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT FINANCIAL POSITION 2019

ANN XXX RESOURCES BERHAD Registration No.: 199501019H (371124-G) | ANNUAL REPORT 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	The Group		The Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	5	2,221,435	2,322,108	-	4,500
Cost of sales		(2,264,370)	(2,007,755)	-	-
Gross (loss)/profit		(42,935)	314,353	-	4,500
Other operating income		45,536	29,613	4	-
Administrative expenses		(79,979)	(89,858)	(13,266)	(1,571)
Distribution expenses		(34,163)	(42,453)	-	-
Other operating expenses		(9,799)	(25,496)	-	-
Results from operating activities		(121,340)	186,159	(13,262)	2,929
Interest income	6	8,351	3,897	-	24
Finance costs	7	(48,990)	(40,116)	(4,159)	(2,473)
Operating (loss)/profit	8	(161,979)	149,940	(17,421)	480
Share of results of associates		(9)	7	-	-
(Loss)/Profit before tax		(161,982)	149,947	(17,421)	480
Income tax credit/(expense)	9	72,122	(403)	-	13
(Loss)/Profit for the year		(89,860)	149,544	(17,421)	493
Other comprehensive (loss)/ income					
Items that will not be reclassified subsequently to profit or loss:					
Net change in revaluation of financial investments at fair value through other comprehensive income	18	-	(37)	-	-
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(315)	569	-	-
Net movement on cash flow hedges		(3,193)	1,515	-	-

ANN XXX RESOURCES BERHAD Registration No.: 199501019H (371124-G) | ANNUAL REPORT 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	The Group		The Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	970,370	1,000,582	-	-
Prepaid lease payments	13	-	9,889	-	-
Investment properties	14	11,258	3,916	1,677	1,698
Intangible assets	15	7,513	7,468	-	-
Investment in subsidiaries	16	-	-	880,724	880,724
Investment in associates	17	503	506	-	-
Other investments	18	1	32	-	-
Deferred tax assets	19	92,808	19,424	-	-
Right-of-use assets	20	8,920	-	-	-
Total non-current assets		1,091,373	1,041,817	882,401	882,422
Current assets					
Inventories	21	872,231	1,085,366	-	-
Receivables and prepayments	22	406,165	536,096	3,621	43,496
Current tax assets		9,697	12,648	3	24
Cash and bank balances	23	99,018	55,405	64	40
Assets classified as held for sale	24	204,38	-	-	-
Total current assets		1,407,549	1,689,515	3,688	43,560
TOTAL ASSETS		2,498,922	2,731,332	886,089	925,982
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	25	612,016	612,016	612,016	612,016
Treasury shares	26	(65,634)	(68,294)	(65,634)	(68,294)
Redeemable Convertible Cumulative Preference Shares ("RCPS") - Equity component	27	2,762	2,762	2,762	2,762
Other reserves	28	74,860	75,940	13,813	11,397
Retained earnings	28	580,630	702,825	238,011	287,755
Total equity		1,204,634	1,325,249	800,968	845,636

100

102

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019 (CONT'D)

	Note	The Group		The Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
EQUITY AND LIABILITIES (CONT'D)					
Non-current liabilities					
Loans and borrowings	29	638	1,143	-	-
Lease liabilities	30	7,823	-	-	-
RCPS - Liability component	27	42,434	42,112	42,434	42,112
Provision for retirement benefits	31	4,077	4,563	-	-
Deferred tax liabilities	19	14,713	19,055	-	-
Total non-current liabilities		69,685	66,873	42,434	42,112
Current liabilities					
Loans and borrowings	29	1,068,895	1,020,883	-	-
Lease liabilities	30	1,377	-	-	-
Payables and accruals	32	152,742	317,975	42,687	38,234
Derivative liabilities		297	32	-	-
Current tax liabilities		1,292	320	-	-
Total current liabilities		1,224,603	1,339,210	42,687	38,234
Total liabilities		1,294,288	1,406,083	85,121	80,346
TOTAL EQUITY AND LIABILITIES		2,498,922	2,731,332	886,089	925,982

STATEMENT FINANCIAL POSITION 2020

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	5	1,891,199	2,221,435	5,000	-
Cost of sales		(1,836,257)	(2,264,370)	-	-
Gross profit/(loss)		54,942	(42,935)	5,000	-
Other operating income		22,831	45,536	1	4
Administrative expenses		(58,495)	(79,979)	(2,108)	(13,266)
Distribution expenses		(27,271)	(34,163)	-	-
Other operating expenses		(31,053)	(9,799)	-	-
Results from operating activities		(39,046)	(121,340)	2,893	(13,262)
Interest income	6	3,904	8,351	1	-
Finance costs	7	(39,153)	(48,990)	(3,284)	(4,159)
Operating loss	8	(74,295)	(161,979)	(390)	(17,421)
Share of results of associates		(11)	(3)	-	-
Loss before tax		(74,306)	(161,982)	(390)	(17,421)
Income tax (expense)/credit	9	(25,681)	72,122	-	-
Loss for the year		(99,987)	(89,860)	(390)	(17,421)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	919,701	970,370	-	-
Investment properties	14	14,562	11,258	1,656	1,677
Intangible assets	15	7,513	7,513	-	-
Investment in subsidiaries	16	-	-	885,336	880,724
Investment in associates	17	492	503	-	-
Other investments	18	1	1	-	-
Deferred tax assets	19	73,006	92,808	-	-
Right-of-use assets	20	8,708	8,920	-	-
Total non-current assets		1,023,983	1,091,373	886,992	882,401
Current assets					
Inventories	21	733,486	872,231	-	-
Receivables and prepayments	22	404,755	406,165	2,708	3,621
Current tax assets		9,003	9,697	3	3
Cash and bank balances	23	60,383	99,018	70	64
Assets classified as held for sale	24	-	20,438	-	-
Total current assets		1,207,627	1,407,549	2,781	3,688
TOTAL ASSETS		2,231,610	2,498,922	889,773	886,089

STATEMENTS OF FINANCIAL POSITION

(CONTD)

	Note	The Group		The Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	25	612,016	612,016	612,016	612,016
Treasury shares	26	(65,634)	(65,634)	(65,634)	(65,634)
Redeemable Convertible Cumulative Preference Shares ("RCPS") - Equity component	27	2,762	2,762	2,762	2,762
Other reserves	28	75,798	74,860	14,370	13,813
Retained earnings	28	480,643	580,630	237,621	238,011
Total equity		1,105,585	1,204,634	801,135	800,968
Non-current liabilities					
Loans and borrowings	29	291	638	-	-
Lease liabilities	30	7,856	7,823	-	-
RCPS - Liability component	27	42,776	42,434	42,776	42,434
Provision for retirement benefits	31	3,753	4,077	-	-
Deferred tax liabilities	19	14,312	14,713	-	-
Total non-current liabilities		68,988	69,685	42,776	42,434
Current liabilities					
Loans and borrowings	29	917,551	1,068,895	-	-
Lease liabilities	30	1,281	1,377	-	-
Payables and accruals	32	136,031	152,742	45,862	42,687
Derivative liabilities		1,084	297	-	-
Current tax liabilities		1,090	1,292	-	-
Total current liabilities		1,057,037	1,224,603	45,862	42,687
Total liabilities		1,126,025	1,294,288	88,638	85,121
TOTAL EQUITY AND LIABILITIES		2,231,610	2,498,922	889,773	886,089

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT FINANCIAL POSITION 2021

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	6	2,395,704	1,891,199	23,000	5,000
Cost of sales		(1,970,737)	(1,836,257)	-	-
Gross profit		424,967	54,942	23,000	5,000
Other operating income		8,798	22,831	-	1
Administrative expenses		(70,242)	(58,495)	(180)	(2,108)
Distribution expenses		(27,721)	(27,271)	-	-
Other operating expenses		(38,412)	(30,523)	-	-
Net impairment of financial assets		(18,072)	(530)	-	-
Results from operating activities		279,318	(39,046)	22,820	2,893
Interest income	7	5,368	3,904	3	1
Finance costs	8	(29,014)	(39,153)	(3,513)	(3,284)
Operating profit/(loss)	9	255,672	(74,295)	19,310	(390)
Share of results of associates		(7)	(13)	-	-
Profit/(Loss) before tax		255,665	(74,308)	19,310	(390)
Income tax expense	10	(12,736)	(25,681)	(1)	-
Profit/(Loss) for the year		242,929	(99,987)	19,309	(390)

96 ANN JOO RESOURCES BERHAD (Registration No.: 19950104948) [371132-G] | ANNUAL REPORT 2021

STATEMENTS OF
FINANCIAL POSITION
31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	864,361	919,701	-	-
Investment properties	14	9,534	14,562	1,634	1,656
Intangible assets	15	7,513	7,513	-	-
Investment in subsidiaries	16	-	-	885,336	885,336
Investment in associates	17	271	492	-	-
Other investments	18	1	1	-	-
Deferred tax assets	19	86,377	73,006	-	-
Right-of-use assets	20	7,678	8,708	-	-
Total non-current assets		975,735	1,023,983	886,970	886,992
Current assets					
Inventories	21	1,049,233	733,486	-	-
Receivables and prepayments	22	535,797	404,755	3,346	2,708
Current tax assets		7,576	9,003	-	3
Cash and bank balances	23	65,098	60,383	123	70
Total current assets		1,657,704	1,207,627	3,469	2,781
TOTAL ASSETS		2,633,439	2,231,610	890,439	889,773

98 ANN JOO RESOURCES BERHAD (Registration No.: 19950104948) [371132-G] | ANNUAL REPORT 2021

STATEMENTS OF
FINANCIAL POSITION
(CONT'D)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	24	617,674	612,016	617,674	612,016
Treasury shares	25	(65,634)	(65,634)	(65,634)	(65,634)
Redeemable Convertible Cumulative Preference Shares ("RCPS") - Equity component	26	2,663	2,762	2,663	2,762
Other reserves	27	77,136	75,798	13,845	14,370
Retained earnings	27	693,014	480,643	225,372	337,623
Total equity		1,322,853	1,105,585	792,920	801,135
Non-current liabilities					
Loans and borrowings	28	579	291	-	-
Lease liabilities	29	6,450	7,856	-	-
RCPS - Liability component	26	41,678	42,776	41,678	42,776
Provision for retirement benefits	30	3,350	3,753	-	-
Deferred tax liabilities	19	14,216	14,312	-	-
Total non-current liabilities		66,273	68,988	41,678	42,776
Current liabilities					
Loans and borrowings	28	1,021,103	917,551	-	-
Lease liabilities	29	1,473	1,281	-	-
Payables and accruals	31	214,289	136,031	55,841	45,862
Derivative liabilities	32	-	1,084	-	-
Current tax liabilities		7,448	3,090	-	-
Total current liabilities		1,244,313	1,057,037	55,841	45,862
Total liabilities		1,310,586	1,126,025	97,519	88,638
TOTAL EQUITY AND LIABILITIES		2,633,439	2,231,610	890,439	889,773

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

ANNUAL REPORT 2021 | ANN JOO RESOURCES BERHAD (Registration No.: 19950104948) [371132-G] 99

