

Singer incurred Tk 49cr loss in 2024

STAR BUSINESS REPORT

Singer Bangladesh suffered losses in 2024 as increased financing costs dented its earnings.

The company reported a loss of Tk 49 crore in 2024, marking a significant reversal from the profit recorded in the previous year.

As a result, its loss per share stood at Tk 4.91, compared to earnings per share of Tk 5.24 in 2023, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

The company attributed the loss primarily to a net deficit stemming from increased financing costs.

Its financing expenses surged by 137 percent, reaching Tk 143.3 crore in 2024, up from Tk 60.4 crore in the previous year, owing to higher interest rates.

Additionally, exchange losses of Tk 24.7 crore further exacerbated the financial strain, the company said.

Shares of Singer began trading at Tk 106.90 yesterday but declined by 4.12 percent to Tk 102.50 as of mid-day trading.

The multinational company highlighted that its operating expenses and cost of sales outpaced revenue growth, contributing to the losses.

Despite the challenging financial performance, Singer's board recommended a 10 percent cash dividend for the year ending December 31, 2024.

Its net operating cash flow per share (NOCFPS) also dropped to a negative Tk 7.96 in 2024, down from Tk 22.76 in 2023.

The company attributed the decline to increased payments for costs and expenses, coupled with stagnant collections from sales.

Holding excessive inventory in anticipation of higher sales, which failed to materialise, further strained cash flow, Singer added.

The company's net asset value (NAV) per share declined due to a rise in short-term borrowings, which climbed to Tk 1,190.8 crore in 2024 from Tk 814.2 crore in 2023 to meet higher working capital requirements.

Walton's profit rises 12% in Q2 as it adjusts prices with higher costs

STAR BUSINESS REPORT

Walton Hi-Tech Industries PLC said its profit rose in the second quarter of the fiscal year 2024-25 as it adjusted sales prices to align with higher costs.

The company reported a profit of Tk 155.43 crore in the October-December quarter, reflecting a 12 percent year-on-year growth.

Shares of Walton declined by 0.73 percent to Tk 500 as of mid-day trading yesterday on the Dhaka Stock Exchange.

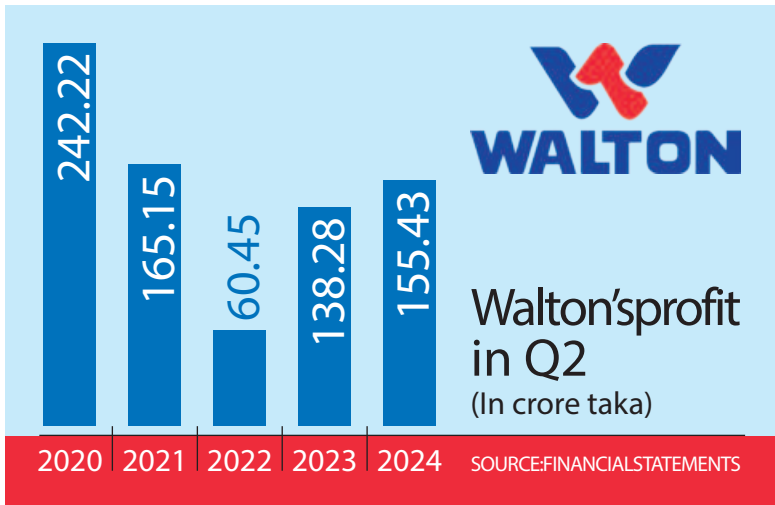
Earnings per share (EPS) stood at Tk 5.13 for October-December 2024, up from Tk 4.56 in the same period a year earlier, according to its financial statements.

However, for the first half of the fiscal year, EPS dropped to Tk 10.05 from Tk 11.24 recorded in the corresponding period of the previous year.

For the half-year period ended December 31, 2024, Walton reported a net profit after tax of Tk 304.47 crore, down from Tk 340.35 crore in the previous year.

Walton attributed the decline in earnings for the half-year period to global economic challenges, including the aftermath of the pandemic, disruptions caused by the Russia-Ukraine conflict, and inflationary pressures.

The company highlighted rising



raw material costs, a vulnerable global market, and currency devaluation as key factors affecting its financial performance, according to a price-sensitive disclosure.

Despite these hurdles, Walton achieved 7.51 percent growth in net revenue by adjusting sales prices to offset increased costs.

The company also noted an increase in VAT on its refrigerators and air conditioners this fiscal year, which impacted operating costs.

Net Operating Cash Flows Per Share (NOCFPS) also declined significantly, standing at Tk 6.93 for the period, compared to Tk

27.16 in the same period of 2023.

Walton explained that the reduction was primarily due to increased payments to suppliers based on collections from customers, instead of relying on bank borrowings.

Additionally, higher material purchases and payments to the government exchequer were made to prepare for the upcoming peak seasons.

"These strategic cash flow adjustments demonstrate our commitment to fostering long-term growth and maintaining a robust operational foundation," the company said.

Govt to import one lakh tonnes of rice from Vietnam

STAR BUSINESS REPORT

Bangladesh is set to bolster its food reserves with the purchase of one lakh tonnes of white rice from Vietnam under a government-to-government agreement.

Vietnam Southern Food Corporation, a major state-run exporter, will supply the shipment at a price of \$474.25 per tonne.

The deal was approved by the cabinet committee on public purchase at a meeting in Dhaka yesterday.

The move comes as Bangladesh looks to stabilise its food security amid rising demand and fluctuating production.

The decision to source rice from Vietnam, one of the world's largest exporters of rice, highlights the country's efforts to diversify its import strategy.

A decision was also made at the meeting to approve the sales of essential commodities through trucks of the Trading Corporation of Bangladesh in Dhaka and Chattogram.



Trump says Microsoft in discussions to acquire TikTok

AFP, Washington

US President Donald Trump said Monday that Microsoft is in talks to acquire TikTok, while the app's future in the country faces uncertainty.

TikTok is facing down a US law that ordered the company to divest from its Chinese owner ByteDance or be banned in the United States.

Asked late Monday if Microsoft was in discussion for acquiring TikTok, Trump told reporters: "I would say yes."

"There's a lot of interest in TikTok, there's great interest in TikTok," he added aboard Air Force One. He noted that a "bidding war" would also be a good development.

In his first White House stint, Trump had attempted to ban TikTok in the United States on national security concerns

A law banning the video sharing platform took effect January 19 over concerns that the Chinese government could exploit it to spy on Americans or covertly influence US public opinion.

But Trump has suspended its implementation for two and a half months, seeking a solution with Beijing.

Microsoft is among likely buyers who would have a reason to invest in TikTok, said Angelo Zino at CFRA Research.

He believes Microsoft "has had a desire to get more entrenched into the digital ad space."

TikTok temporarily shut down in the United States as the deadline for the law approached.

Trump then promised to issue an executive order as soon as he took office to delay the ban to allow time to "make a deal."

TikTok restored service subsequently in the country, crediting Trump for making the reversal possible -- though the outgoing Biden administration had earlier said that it would not enforce any ban.

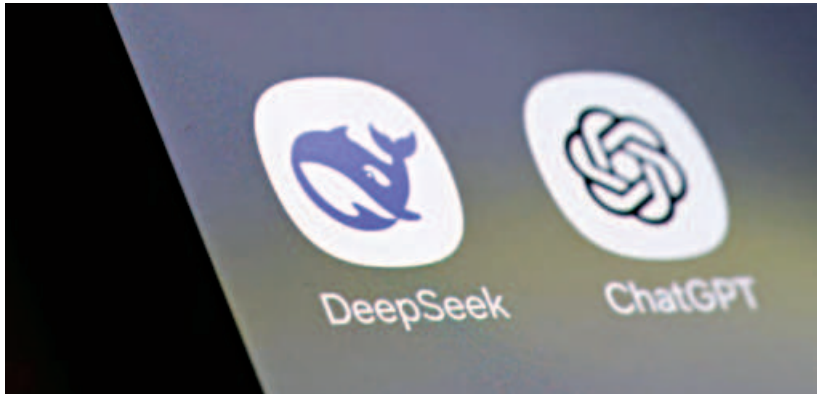
DeepSeek offers no new answers to China's AI bind

REUTERS, Hong Kong

DeepSeek has triggered a dramatic rethink on artificial intelligence spending around the world, except perhaps in China. The startup's impressive low-cost model showcases the country's innovation prowess. Yet it also spotlights how US curbs on high-end chips hold back the world's second-largest economy in the global technology race. For Beijing, the smartest way forward is to keep pouring money into breaking the West's chokehold on advanced semiconductors.

The Hangzhou-based upstart stunned the world with its latest R1 model that is just as powerful as offerings from the likes of OpenAI and Meta Platforms but is cheaper to run. As investors digested the implications of inexpensive AI, and wiped out nearly \$600 billion in market value from chipmaker Nvidia alone, US officials questioned the efficacy of tech sanctions unleashed by Washington to slow China's progress in the industry and called on Donald Trump's new administration to tighten export curbs.

How the Republican president, who on Monday called, DeepSeek's model a "wake-up call" for his country, responds will now be key. On one hand, DeepSeek's



Deepseek and ChatGPT app icons are seen in this illustration taken on January 27.

PHOTO: REUTERS

breakthrough suggest sanctions accelerated creativity in the People's Republic. Indeed, Chinese firms from Huawei to Alibaba, have devised clever workarounds; tech analyst Ben Thompson of Strattechery argues that "all of the decisions DeepSeek made in the design of this model only make sense" because it could not use Nvidia's top-of-the-line offering.

Even so, the chips DeepSeek used have been banned in China since 2023. That means compatriots hoping to replicate its success face even tougher constraints today. In a rare interview, last year, the company's founder Liang Wenfeng said that while money has

never been a problem for the startup, bans on advanced chips are. In short, China has the talent and resources, but the biggest constraint is in its access to high-end processors.

It is here that Beijing is funnelling billions of dollars to help homegrown champions like Huawei and the \$55 billion Semiconductor Manufacturing International build domestic alternatives. The pair have racked up some important wins, including mass-producing a 7 nanometre smartphone chip back in 2023 that many thought was out of their reach. DeepSeek shows there are no shortcuts.

READ FULL STORY ONLINE

Nvidia loses \$600b in value amid rout in tech stocks

AFP, New York

US chip-maker Nvidia led a rout in tech stocks Monday after the emergence of a low-cost Chinese generative AI model that could threaten American dominance in the fast-growing industry.

The chatbot developed by DeepSeek, a startup based in the eastern Chinese city of Hangzhou, has apparently shown the ability to match the capacity of US AI pace-setters for a fraction of the investments made by American companies. Shares in Nvidia, whose semiconductors power the AI industry, fell nearly 17 percent on Wall Street, erasing nearly \$600 billion of its market value.

The tech-rich Nasdaq index finished down more than three percent.

DeepSeek, whose chatbot became the top-rated free application on Apple's US App Store, said it spent only \$5.6 million developing its model -- peanuts when compared with the billions US tech giants have poured into AI.

US "tech dominance is being challenged by China," said Kathleen Brooks, research director at trading platform XTB.

"The focus is now on whether China can do it better, quicker and more cost effectively than the US, and if they could

win the AI race," she said.

Art Hogan, chief market strategist at B. Riley Wealth, described the market's response Monday as "shoot first, ask questions later," noting that some are skeptical of the Chinese company's assertions.

"Everyone is trying to figure out 'Can it be believed?' and 'What does it mean,'" Hogan said.

As DeepSeek rattled markets, the startup on Monday said it was limiting the registration of new users due to "large-scale malicious" cyberattacks on its services.

AI players Meta and Microsoft are among the tech giants scheduled to report earnings this week, offering opportunity for comment on the emergence of the Chinese company.

Shares in another US chip maker, Broadcom, fell 17.4 percent while Dutch firm ASML, which makes the machines used to build semiconductors, saw its stock tumble 6.7 percent.

Constellation Energy, which is planning to build significant energy capacity for AI, sank more than 20 percent. Wall Street's broad-based S&P 500 index shed 1.5 percent while the Dow advanced 0.7 percent.

In Europe, the Frankfurt and Paris stock exchanges closed in the red while London finish flat.

Trump warns of 'wake-up call' as low-cost Chinese AI jolts sector

AFP, San Francisco

Fears of upheaval in the AI gold rush rocked Wall Street on Monday following the emergence of a popular ChatGPT-like model from China, with US President Donald Trump saying it was a "wake-up call" for Silicon Valley.

Last week's release of the latest DeepSeek model initially received limited attention, overshadowed by the inauguration of Trump on the same day.

However, over the weekend, the Chinese artificial intelligence startup's chatbot surged to become the most downloaded free app on Apple's US App Store, displacing OpenAI's ChatGPT.

What truly rattled the industry was DeepSeek's claim that it developed its latest model, the R1, at a fraction of the cost that major companies are investing in AI development, primarily on expensive Nvidia chips and software.

The development is significant given the AI boom, ignited by ChatGPT's release in late 2022, has propelled Nvidia to become one of the world's most valuable companies.

The news sent shockwaves through the US tech sector, exposing a critical concern: should tech giants continue

to pour hundreds of billions of dollars into AI investment when a Chinese company can apparently produce a comparable model so economically?

DeepSeek's apparent advances were a poke in the eye to Washington and its priority of thwarting China by maintaining US technological dominance.

Trump reacted quickly on Monday, saying the DeepSeek release "should be a wake-up call for our industries that we need to be laser-focused on competing to win."

He argued it could be a "positive" for US tech giants, adding: "instead of spending billions and billions, you'll spend less, and you'll come up with hopefully the same solution."

OpenAI chief executive Sam Altman said in a post on X that it was "legit invigorating to have a new competitor."

He called DeepSeek's R1 "an impressive model, particularly around what they're able to deliver for the price," and pledged to speed up some OpenAI releases.

The development comes against the background of a US government push to ban Chinese-owned TikTok in the United States or force its sale.

David Sacks, Trump's AI advisor and prominent tech investor, said DeepSeek's success justified the White



A woman poses with her smartphone displaying the @realdonaldtrump TikTok page in Washington.

PHOTO: REUTERS/FILE

House's decision to reverse executive orders, issued under Joe Biden, that established safety standards for AI development.

The regulations "would have hamstringed American AI companies without any guarantee that China would follow suit," Sacks wrote on X.

Adam Kovacevich, CEO of the tech industry trade group Chamber of Progress, echoed the sentiment: "Now the top AI concern has to be ensuring (the United States) wins."

Tech investor and Trump ally Marc Andreessen declared "Deepseek R1 is AI's Sputnik moment," referencing the

1957 launch of Earth's first artificial satellite by the Soviet Union that stunned the Western world.

"If China is catching up quickly to the US in the AI race, then the economics of AI will be turned on its head," warned Kathleen Brooks, research director at XTB, in a note to clients.

Microsoft CEO Satya Nadella took to social media hours before markets opened to argue less expensive AI was good for everyone.

But last week at the World Economic Forum in Davos, Nadella warned: "We should take the developments out of China very, very seriously."

Australia's Science Minister Ed Husic raised privacy concerns, urging users to think carefully before downloading the chatbot.

"There are a lot of questions that will need to be answered in time on quality, consumer preferences, data and privacy management," Husic told national broadcaster ABC.

"I would be very careful about that. These type of issues need to be weighed up carefully."

Microsoft, an eager adopter of generative AI, plans to invest \$80 billion in AI this year, while Meta announced at least \$60 billion in investments on Friday.