QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 **Basis of Preparation & Significant Accounting Policies**

This Quarterly Report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements. In addition, the financial statements comply with IFRS as issued by IASB. The report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 which was prepared in accordance with the MFRS.

The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the preceding financial year ended 30 June 2022.

The significant accounting policies and methods adopted for this unaudited interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2022, except for the following new amendments to the MFRS ("standards") effective for financial year beginning after 1 July 2022 which the Group has adopted since the commencement of the current financial year on 1 July 2022:

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities' clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

- Amendments to MFRS 3 'Reference to Conceptual Framework' replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments do not change the current accounting for business combinations on acquisition date. The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

- Amendments to MFRS 116 'Proceeds before intended use' prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss. The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

- Amendments to MFRS 137 'Onerous Contracts - Cost of Fulfilling a Contract' clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The adoption of these amendments to standards did not have any impact on the Group's financial statements for the current financial period.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation & Significant Accounting Policies (continued)

The Group has not adopted the following new standards and amendments to standards that have been issued but not yet effective for the current financial year.

Effective for financial year beginning after 1 July 2023
- Amendments to MFRS 101 "Classification of liabilities as current or non-current"
- Amendments to MFRS 101 and MFRS Practice Statement 2 on "Disclosure of Accounting Policies"
- Amendments to MFRS 108 on "Definition of Accounting Estimates"
- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

These amendments to published standards will be adopted when effective.

A2 Audit Qualification

The audit report of the Group in respect of the annual financial statements for the financial year ended 30 June 2022 was not subject to any audit qualification.

A3 Seasonality or Cyclicality of Operations

The business operations of the Group were generally neither cyclical nor seasonal except for decreased activities during the Ramadan and Chinese New Year festive months.

A4 Unusual Items Affecting Assets, Liabilities, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the current financial quarter.

A5 Material Changes in Estimates

There were no material changes in estimates that would have a material effect on the financial results of the Group for the current financial quarter ended 30 September 2022.

A6 Debts and Equity Securities

There were no issuances, cancellations, repurchases, or resale of the Company's equity securities during the current financial quarter ended 30 September 2022.

The Group has a policy to maintain its Gearing Ratio (measured as interest bearing debts over shareholders' equity adjusted for the exclusion of intangibles) at below 1.5 times.

	30/09/2022	30/06/2022
Total interest-bearing debts (RM'million)	135.6	116.4
Adjusted Equity (RM'million)	593.1	591.9
Absolute Gearing Ratio	0.23	0.20

A6 Debts and Equity Securities (continued)

Of the total interest-bearing debts as at 30 September 2022, around RM102.7 million is represented by the respective debenture at its Steel Tube and Cold Rolled Coil subsidiaries, whilst RM18.8 million is represented by unsecured interest-bearing supplier's credit also at the respective operating subsidiaries (see Note B10). Debts of RM14.1 million is secured against a fixed charge on a property and other specific assets to-which the financing relates. Lease liability classification pursuant to MFRS 16 are excluded from the ratio computation as these are contractually non-interest bearing.

During the current financial quarter, its indirect Steel Tube subsidiary incepted a fresh RM25 million multi-trading line from a new lender secured under its existing debenture on a pari-passu basis with other lenders. The fresh-line is incepted to diversify lenders and to supplant existing USD denominated trade credit lines (which has become comparatively expensive). The utilisation of this new trade-line is not expected to increase the gearing of the Group.

Debt covenants where applicable are in full compliance for the current financial quarter ended 30 September 2022.

A7 Dividends Paid

During the current financial quarter, no dividend was paid by the Company.

A8 Segmental Reporting

The Group's 'year-to-date' segmental information on its remaining businesses held based on the nature-of-business is as follows:

	Steel Tube	Cold Rolled Coil	Investment Holding	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total revenue	70,979	55,778	3,306	1,642	131,705
Inter segment	-	(6,689)	(3,306)	(159)	(10,154)
External revenue	70,979	49,089	-	1,483	121,551
Pre-tax profit/(loss)	4,192	2,193	(2,775)	(1,432)	2,178
Segment assets	255,993	427,008	79,921	15,521	778,443

Reconciliation of segment assets to total assets is as follows:

	RM'000
Segment assets	778,443
Deferred tax assets	657
Derivative financial assets	1,860
Current tax recoverable	488
Total assets	781,448

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A9 Valuation of Property, Plant and Equipment (PPE)

The valuation on PPE has been brought forward from the audited financial statements for the financial year ended 30 June 2022 and adjusted for the current financial year's depreciation and impairment-provisions where appropriate to reflect the current period's ending net carrying value.

A10 Fair Value Measurement

Except for the financial instruments disclosed below which are fair valued, the carrying value of short-term maturity financial instruments like cash deposits and bank balances, receivables, and short-term borrowings and payables approximate their fair values.

Financial instruments subjected to fair valuation were categorised into the following fair value hierarchy and were represented in the table below as at 30 September 2022:

Level 1: based on unadjusted quoted prices in active markets for identical assets and liabilities
Level 2: based on observable inputs not included within level 1
Level 3: based on unobservable inputs

Recurring fair value measurement	Fair Value RM'000		
	Level 1	Level 2	Level 3
Investment in Quoted Shares	2,370.0	-	-
Foreign Currency Forwards			
as Assets (not hedge accounted)	-	4.7	-
as Assets (hedge accounted)	-	1,855.7	-
as Liabilities (not hedge accounted)	-	(8.3)	-
Total	2,370.0	1,852.1	-

The Investment in Quoted Shares is fair valued by way of marking-to-market using the quoted closing price on Bursa Malaysia.

The Foreign Currency Forwards are fair valued by way of marking-to-market using reference bank's published forward rates.

A11 Significant Events and Transactions

There were no significant events and transactions for the current financial quarter affecting the Group's financial position and performance of its entities.

A12 Subsequent Material Events

There were no known material subsequent events up-till the date of this report which may affect the Group's financial position and performance of its entities.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A13 **Changes in the Composition of the Group**

On 1 July 2022, a subsidiary of the company, 3Bumi Sdn Bhd has acquired additional 100,000 shares in 3Bumi Trading Sdn Bhd ("3BT") from a non-controlling interest at a total cash consideration of RM1, thus increasing its shareholding in 3BT from 80% to 90%.

Besides the above, there were no other changes to the composition of the Group during the current financial quarter.

A14 **Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at the end of the current financial quarter.

A15 **Capital Commitments**

At the end of the current reporting quarter, the Group's Cold Rolled Coil and Steel Tube subsidiaries have an outstanding capital commitment balance of around RM0.5 million and RM1.7 million respectively for plant-equipment. These capital commitments will be payable over established milestones in the current financial year.

The Group's Food Trading subsidiary has approved but not contracted for capital commitment of RM2.0 million for the construction of a processing center.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B1 Review of the Performance of the Company and Its Principal Subsidiaries

	Individual Period (1st quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 30/09/2022	Preceding Year Corresponding Quarter 30/09/2021			Current Year To-date 30/09/2022	Preceding Year Corresponding Period 30/09/2021		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	121,551	148,225	(26,674)	-18%	121,551	148,225	(26,674)	-18%
Operating Profit	3,076	11,276	(8,200)	-73%	3,076	11,276	(8,200)	-73%
Profit Before Interest and Tax	3,076	11,276	(8,200)	-73%	3,076	11,276	(8,200)	-73%
Profit Before Tax	2,178	10,444	(8,266)	-79%	2,178	10,444	(8,266)	-79%
Profit After Tax	974	8,042	(7,068)	-88%	974	8,042	(7,068)	-88%
Profit Attributable to Ordinary Equity Holders of the Parent	639	6,017	(5,378)	-89%	639	6,017	(5,378)	-89%

The Group's revenue for the first financial quarter ended 30 September 2022 was down by 18% from RM148.2 million to RM121.6 million in the current financial quarter despite a six-weeks of COVID lockdown in the preceding year's corresponding quarter. The drop in revenue was primarily due to a sharp decline in the sales volume of the Cold Rolled Coil segment.

The gross profit for the current financial quarter at RM13.7 million (down by 45%) was due to lower margin spread per-unit for both the Cold Rolled Coil and the Steel Tube segments resulting from declining price trend (in-tandem with raw steel prices) compared to the preceding year's corresponding quarter. Coupled with higher operating expenses (attributed to higher inflation), the Group's operating profit for the current financial quarter slipped by 73% over preceding corresponding period. The Group's lackluster performance for the current financial quarter correlated with the weak market conditions faced by the domestic steel industry and the downstream manufacturing sector as a whole – which were stymied by labor-shortages, supply-chain disruptions, excessive inventory, rising costs, and weak capital-goods demand. External shocks (from the unrelenting US rate hikes; China's property crisis and zero-COVID policies; Ukraine-conflict & sanctions fallout) worsened in the current financial quarter further suppressing sales and margins.

Meanwhile, the Food Trading and Retail segment was also operating at a loss due to stiff local/regional competitors, global supply shortages, as well as inflationary pressure on costs that weigh on margins. The Food Trading registered a pre-tax loss of RM1.0 million for the current financial quarter.

As a consequence, the Group's after-tax profit for the current financial quarter dropped by 79% from RM10.4 million to RM2.2 million. After-tax profit of the Group was 88% lower at RM1.0 million compared to the preceding year's corresponding quarter of RM8.0 million.

The Group registered a significantly lower EBITDA of RM7.2 million (down by 52%) for the current financial quarter, compared to the preceding year's corresponding quarter EBITDA of RM15.0 million.

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B2 **Material change in the profit before tax as compared to the immediate preceding quarter**

	Current Quarter 30/09/2022	Immediate Preceding Quarter 30/06/2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	121,551	173,803	(52,252)	-30%
Operating Profit	3,076	3,502	(426)	-12%
Profit Before Interest and Tax	3,076	3,350	(274)	-8%
Profit Before Tax	2,178	2,477	(299)	-12%
Profit After Tax	974	6,485	(5,511)	-85%
Profit Attributable to Ordinary Equity Holders of the Parent	639	4,402	(3,763)	-85%

The Group's revenue for the current first financial quarter declined by 30% to RM121.6 million, as compared to the immediate-preceding quarter, mainly owing to lower sales volume and average unit selling price (in tandem with lower steel prices) for both the Cold Rolled Coil and Steel Tube segments.

The decline in Hot Rolled Coil (HRC) prices – being the main raw material for both segments –which started in the immediate-preceding quarter (which had resulted in a RM10.0 million inventories write-down for the Group), continued into current 1st financial quarter albeit at a tapered pace with signs of flattening-out towards September 2022. With the lagging impact from higher carrying cost of inventory, both the Cold Rolled Coil and Steel Tube segments recorded gross margin shrinkage over the current financial quarter amid weaker quarter-on-quarter sales volume- consistent with the weaker domestic/regional steel demand. Operating profit fell by 12% quarter-on-quarter with a steeper drop from the Cold Rolled Coil segment. Meanwhile, the Food Trading and Retail operations had yet to contribute positively to the Group's bottom line given its pre-tax loss of RM1.0 million recorded for the current financial quarter against the immediate-preceding quarter's pre-tax loss of RM1.4 million.

As a result, the Group registered a 12% lower pre-tax profit of RM2.2 million for the current financial quarter compared with the immediate-preceding quarter's pre-tax profit of RM2.5 million (which was eroded by the RM10.0 million inventories write-down by the Cold Rolled Coil segment). After-tax profit of the Group at RM1.0 million was 85% lower compared to the immediate-preceding quarter due to the tax-credit effect in the preceding period.

The Group recorded a lower EBITDA of RM7.2 million (decreased by 5%) for the current financial quarter compared to the immediate-preceding quarter's EBITDA of RM7.5 million.

PART B – EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B3 **Prospects for the next financial year**

Moving into year 2023, the global growth outlook is expected to slow going and continue to face headwinds from tighter financial conditions amid elevated inflation in major economies and domestic challenges in China. The growth outlook remains subject to downside risks, including escalation of geopolitical tensions, worsening of domestic headwinds in China and potential energy rationing in Europe. Despite the global worsened global economic and geopolitical environment, Malaysia continues to show strong post-pandemic recovery into the 3rd fiscal quarter with GDP growth of 14.2%, largely driven by robust domestic demand, inbound tourism activity, and exports of primary commodities and in electrical & electronics.

The domestic steel Industry hit a rough-patch with weakened demand attributed to consumption-shift (tied to the pandemic recovery); foreign-labor shortages (affecting downstream steel-consuming activities); continuing property & construction overhang; slow progression in infrastructure spending; and slow new capital asset investments. The extended ‘declining-steel-price-trend’ (since April 2022) driven by global factors particularly China’s economic slowdown has led to intense pricing cut, margin squeeze, minimum stock-holding, and widespread inventory-impairment in the industry. Adding to injury, overall production/ operation costs have increased significantly in tandem with higher energy-prices; all-time-weak Ringgit & imported inflation; interest rate hikes & higher borrowing costs; and wage hikes.

However, certain developments in the 2nd financial quarter may offer a turning-point for a better 2nd half in 2023 for the Group. In mid-November 2022, we saw certain recalibration in China (on its zero-COVID policy, property-sector resuscitation, and thawing of tension in its relations with the west) which seems to have reset growth expectations and boosted steel prices (in China and regionally). Furthermore, the nation has just completed its 15th General Election exercise, and we hope that the new government would pave-away for the full-swing resumption of the various infrastructural projects under the 12th Malaysia Plan (which incorporates national steel policies that are pro-domestic steel industry) and perhaps facilitate a more ‘even’ growth in 2023 with its improved fiscal position.

Meanwhile, for the domestic food trading and retail industry, domestic consumption demand is expected to remain on a steady growth path despite the weaker global growth outlook. Soaring inflation has weighed on growth through lower household spending and this has slowed down the pace of food industry recovery to pre-pandemic levels. Despite the challenging environment, household spending will continue to be underpinned by improvements in labour market conditions and income prospects. Monetary policy measures such as the increase in minimum wage and Bantuan Keluarga Malaysia scheme (Phase 4) would further support consumer spending.

In summary, outlook on the Group’s performance would likely remain under significant downside pressure in the next financial quarter, but with improving prospect for a pivot towards the 2nd half particularly by the 4th financial quarter.

B4 **Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B5 **Profit Before Tax**

The following expenses have been (charged)/credited in arriving at profit before tax:

	Current year quarter 30/09/2022 RM'000	Preceding year corresponding quarter 30/09/2021 RM'000	Current year to-date 30/09/2022 RM'000	Preceding year corresponding period 30/09/2021 RM'000
Depreciation and amortisation:				
- property, plant and equipment	(3,741)	(3,439)	(3,741)	(3,439)
- right-of-use assets (leasehold lands)	(391)	(363)	(391)	(363)
- right-of-use assets (rented properties)	(103)	(59)	(103)	(59)
Finance costs on:				
- borrowings	(1,202)	(1,072)	(1,202)	(1,072)
- lease liabilities	(44)	(18)	(44)	(18)
Finance income:				
- interest on deposits with licensed banks	348	258	348	258
Write back/(impairment) on:				
- property, plant and equipment	(3)	-	(3)	-
- receivables	29	46	29	46
Fair value loss on financial assets at fair value through profit or loss	(362)	-	(362)	-
FX differences (loss)/gain	(3,014)	(432)	(3,014)	(432)
FX derivatives gain/(loss)	2,826	297	2,826	297

B6 **Taxation**

Taxation comprises:

	Current year quarter 30/09/2022 RM'000	Preceding year corresponding quarter 30/09/2021 RM'000	Current year to date 30/09/2022 RM'000	Preceding year corresponding period 30/09/2021 RM'000
Current tax expense				
- Current year	(1,060)	(1,662)	(1,060)	(1,662)
Deferred tax expense				
- Current year	(144)	(740)	(144)	(740)
	(1,204)	(2,402)	(1,204)	(2,402)

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B7 **Profit on Sale of Unquoted Investments and / or Properties**

The Group did not engage in any sale of unquoted investments and / or properties in the current financial quarter.

B8 **Purchase or Disposal of Quoted Securities**

On 14 July 2022, the Company subscribed for 1.2 million shares of KNM Group Berhad for a total outlay of RM132,000. This investment is reflected in Note A10 as a financial instrument fair valued at Level 1 hierarchy.

B9 **Status of Corporate Proposals**

There were no outstanding corporate proposals as at the date of this announcement.

B10 **Group Borrowings and Debt Securities**

The Group's borrowings, denominated entirely in Ringgit Malaysia from lending institutions as at 30 September 2022 undertaken by its Steel subsidiaries were as follows:

	RM'000
Short-term borrowings	
Secured	96,307
Long-term borrowings	
Secured	20,477
Total borrowings	116,784

Cash-flow movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis was outlined below:

	RM'000
Total Borrowings' opening balance at 1 July 2022	102,655
Inflows from drawdown	77,740
Outflows on repayment	(63,611)
Closing balance at 30 September 2022	116,784

Based on the above, the Group's bank gearing ratio was around 0.20 times. Besides the said borrowings, the Group's Steel Tube subsidiary also drawn on interest-bearing trade credits from its raw-coil suppliers with an outstanding amount of RM18.8 million. Inclusive of that, the Group's absolute gearing ratio as at 30 September 2022 was around 0.23 times.

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B11 **Outstanding Derivatives**

The Group has entered into forward foreign currency exchange contracts (FX forwards) to manage its foreign currency exchange exposure arising from purchases of raw materials denominated in US Dollar ("USD") and certain sales denominated in Singapore Dollar ("SGD"). In this regard, the Group covers its USD exposure at the range of 80% to 90% depending on the length of the forward period and the availability of FX facilities.

The Group designates eligible hedge relations on FX forwards incepted to cover its USD and/or SGD exposure for the purpose of hedge accounting. These are designated as fair value hedges with the arising mark-to-market foreign currency fair value gain/(loss) of both the hedging instruments (i.e. FX Forwards) and the hedged items (i.e. forward purchases of raw material and or accounts payables in USD or accounts receivables in SGD) being charged to the Statement of Profit or Loss.

Details on outstanding derivative FX forward contracts for both the non-designated and designated for hedge accounting as at 30 September 2022 were outlined below:

Non-designated

FX Forward Contracts (SGD/RM) as non-designated hedging instrument				
	Notional Value '000		Fair Value RM'000	
Maturity	Short SGD	Long RM	Financial Assets	Financial Liabilities
Less than 1 year	180	573	-	8.3

Non-designated

FX Forward Contracts (USD/RM) as non-designated hedging instrument				
	Notional Value '000		Fair Value RM'000	
Maturity	Long USD	Short USD	Financial Assets	Financial Liabilities
Less than 1 year	147	677	4.7	-

Designated

FX Forward Contracts as designated hedging Instrument					Forward purchase of raw material and/or a/c payable as hedge items				
	Notional Value '000		Fair Value RM'000			Notional Value '000		Fair Value RM'000	
Maturity	Long USD	Short RM	Financial Assets	Financial Liabilities	Maturity	Short USD	n.a.	Financial Assets	Financial Liabilities
Less than 1 year	8,319	36,741	1,855.7	-	Matching	8,319	n.a.	-	1,855.7

Besides the above unrealised positions, the Group has recorded a total realised net gain of around RM1.0 million from its FX Forward Contracts as hedging instruments with corresponding realised net loss of around RM1.6 million from its hedged items over the current financial year.

(i) Risk associated with the derivatives

Counter-Party Risk
The Forward FX contracts are entered into with domestic licensed financial institutions which have extended FX lines to the Group. The associated Counter-Party risk is negligible.

B11 **Outstanding Derivatives (continued)**

(ii) Cash requirements of the derivatives

There is no cash movement from the Group to the counterparties when the Forward FX contracts are incepted. Upon maturity of the Forward FX contracts, domestic currency is exchanged for the foreign currency at the contracted rate to meet its obligations.

(iii) Policies in place for mitigating or controlling the risk associated with the derivatives

The Group uses derivative financial instruments to hedge specific risk exposures of the underlying hedge items and does not enter into derivative financial instruments for speculative purposes. The Group monitors the fluctuations in foreign currency exchange rates closely with the objective to minimise potential adverse effects on the financial performance of the Group. The Board of Directors regularly reviews the risk and approves the policy for managing the risk.

B12 **Off Balance Sheet Financial Instruments and Commitments**

At the Group level, off-balance-sheet financial instruments as at the date of this announcement were bank guarantees issued by its subsidiaries amounting to RM5.7 million as security for inbound supply of goods and services; and corporate guarantees issued by its listed subsidiary, Mycron Steel Berhad to lenders for borrowings extended to its steel subsidiaries amounting to RM116.5 million as at 30 September 2022.

At the Company level, off-balance-sheet financial instruments as at the date of this announcement was a corporate guarantee issued to a supplier as security for inbound supply of goods and services extended to its steel subsidiaries amounting to RM20 million as at 30 September 2022.

B13 **Material Litigation**

At the close of the current financial quarter, there were no material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group. The Board was not aware of any proceedings pending or threatened against the Group or of any other facts likely to give rise to any proceedings which may materially and/or adversely affect the financial position and business of the Group as at the date of this report.

B14 **Dividend**

The Company did not declare any dividend for the financial period ended 30 September 2022.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)

B15 **Earnings per Share**

(i) Basic Earnings per Ordinary Share

	Current year quarter 30/09/2022	Preceding year corresponding quarter 30/09/2021	Current year to date 30/09/2022	Preceding year corresponding period 30/09/2021
Profit attributable to owners of the Company (RM'000)	639	6,017	639	6,017
Weighted average number of ordinary shares in issue ('000)	359,418	359,418	359,418	359,418
Basic earnings per share (sen)	0.18	1.67	0.18	1.67

(ii) Diluted Earnings per Ordinary Share

	Current year quarter 30/09/2022*	Preceding year corresponding quarter 30/09/2021	Current year to date 30/09/2022*	Preceding year corresponding period 30/09/2021
Profit attributable to owners of the Company (RM'000)	N/A	6,017	N/A	6,017
Total number of ordinary shares in issue ('000)	N/A	426,365	N/A	426,365
Diluted earnings per share (sen)	N/A	1.41	N/A	1.41

* No diluted earnings per share was presented in the current financial quarter as the issued and listed warrants were in an anti-dilutive position given that its exercisable price (at 40 sen) was above the listed market price of the mother share at the close of the current financial quarter.

This interim financial report has been authorised for issue by the Board of Directors on the date set-forth below.

By order of the Board
LILY YIN KAM MAY (MAICSA 0878038)
Secretary
Kuala Lumpur
24 November 2022