



INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MARCH 2024

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), MFRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements for the financial year ended 31 March 2023, except for the following Amendments to MFRS which are applicable to its financial statements:

Effective for financial period beginning on or after 1 January 2023:-

- MFRS 17 and Amendments to MFRS17 Insurance Contracts
- Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112 Income taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

At the date of authorisation of these interim financial statements, the following Standards and amendments to Standards were issued but not yet effective up to the date of issuance of the Group’s financial statements and have not been early adopted by the Group:

Effective for financial period beginning on or after 1 January 2024:-

- Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants



Effective Date Deferred Indefinitely:-

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

The Group will adopt the above Standards and amendments to Standards when they become effective in the respective financial periods. The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualification on the audit report of the preceding reports and financial statements.

4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

Except for the major festive seasons when activities slow down, the pace of the Company's business generally moves in tandem with the performance of the economy.

5. NATURE AND AMOUNT OF UNUSUAL ITEMS

There were no items of unusual nature, size or incidence which affect the assets, liabilities, equity, net income or cash flows during the current quarter under review.

6. NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect on the current quarter results.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter under review.

8. DIVIDEND PAID

During the financial year ending 31 March 2024, the Company has paid a final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 March 2023 amounting to RM4,184,586.56 on 17 October 2023.

9. SEGMENTAL INFORMATION

For management purposes, the Group is organised into three reportable operating segments, which comprise the following:

- (a) Trading & Services
Trading and marketing of steel products and all types of construction materials and warehousing and storage services.



- (b) Manufacturing
Manufacturing and trading of steel purlin, structural steel components and other steel products.
- (c) Others
Investment holding and dormant.

9.1 Business Segments

The segment revenue, segment results and segment assets for the financial year ended 31 March 2024 were as follows:

	Trading & Services RM'000	Manufacturing RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
REVENUE					
External sales	1,250,605	33,489	5,145	-	1,289,239
Inter-company transactions	193,901	8,811	4,055	(206,767)	-
Total Sales	<u>1,444,506</u>	<u>42,300</u>	<u>9,200</u>	<u>(206,767)</u>	<u>1,289,239</u>
RESULTS					
Segment results	44,368	1,394	6,185	-	51,947
Finance cost	(24,537)	(263)	(646)	-	(25,446)
Interest income	441	14	(2)	-	453
Share of result in associated company	-	-	2	-	2
Taxation	(5,025)	(205)	(887)	-	(6,117)
Profit for the period	<u>15,247</u>	<u>940</u>	<u>4,652</u>	<u>-</u>	<u>20,839</u>
ASSETS	<u>1,197,671</u>	<u>40,992</u>	<u>308,804</u>	<u>(433,887)</u>	<u>1,113,580</u>
LIABILITIES	<u>798,557</u>	<u>12,551</u>	<u>36,385</u>	<u>(216,415)</u>	<u>631,078</u>

9.2 Geographical Segments

	3 months ended 31.03.2024 RM'000	12 months ended 31.03.2024 RM'000
External Sales		
Malaysia	172,745	764,253
APEC countries	107,737	489,707
Other countries	13,232	35,279
	<u>293,714</u>	<u>1,289,239</u>

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There was no material event in the interval between the end of the current quarter under review and the date of this report, any item, transaction or event of a material and unusual nature likely in the opinion of the Board of Directors, to affect substantially the results of the operations of the Group for the current quarter.



11. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed below, there were no changes in the composition of the Group for the current quarter under review and financial period to-date.

On 15 May 2023, Steelarlis Pte. Ltd., a 51% owned subsidiary of the Company, has subscribed One Thousand (1,000) unit ordinary shares of SPL Services Sdn Bhd (“SPLS”) representing 100% of the entire issued capital of SPLS for a total consideration of RM1,000.00 and SPLS has effectively become a 51% owned subsidiary of the AYS Group.

On 29 December 2023, AYS Capital Sdn Bhd (“AYSC”), a 100% owned subsidiary of the Company, disposed of three million five hundred and seventy thousand (3,570,000) ordinary shares, representing 51% of the entire issued capital of Steelarlis Pte. Ltd. (“SPL”) to Ann Yak Siang (Singapore) Pte Ltd (“AYSS”) as part of internal reorganisation of the Group. The disposal was satisfied by way of issuance of six million two hundred seventy seven thousand five hundred and fifty nine (6,276,559) ordinary shares in the capital of AYSS, credited to AYSC as fully paid up at an issue price of SGD1.00 per ordinary share which derived from the 51% equity interest amounting to SGD6,276,559.00 based on the net asset value of SPL stated in its management accounts as at 30 September 2023.

On 19 March 2024, CH Yodoform Trading Sdn Bhd (“CHYT”), formerly a wholly-owned subsidiary of CH Yodoform Sdn Bhd (“CHY”), increased its share capital from Three (3) ordinary shares to Two Million Nine Hundred Seventy-Five Thousand (2,975,000) ordinary shares for a joint venture project. CHY subscribed to Two Million Two Hundred Seventy-Four Thousand Nine Hundred Ninety-Seven (2,274,997) ordinary shares of CHYT, representing 76% of the entire issue capital of CHYT for a total consideration of RM2,274,997. As a result, CHYT became a 76% subsidiary of the AYS Group. Concurrently, IWE Deck Solution Sdn Bhd (“IWE”) subscribed seven hundred thousand ordinary shares of CHYT, representing 24% of the entire issue capital of CHYT for a total consideration of RM700,000.00. On 8 May 2024, CHYT officially changed its name to CHY Building Solutions Sdn Bhd.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last reports and financial statements.

13. CAPITAL COMMITMENTS

The capital commitments as at 31 March 2024 were as follows:

Commitments in respect of capital expenditure	RM'000
(a) Contracted but not provided for	10,023
(b) Approved but not contracted for	50,872

14. COMMENTARY ON FINANCIAL PERFORMANCE

	Individual Period (4th Quarter)				Cumulative Period			
	Current Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To-date	Preceding Year Corresponding Period	Changes	
	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	%	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	%
Revenue	293,714	336,321	(42,607)	-12.67%	1,289,239	1,313,765	(24,526)	-1.87%
Operating Profit	14,921	21,200	(6,279)	-29.62%	51,163	73,628	(22,465)	-30.51%
Profit Before Interest and Tax	15,148	21,967	(6,819)	-31.04%	51,949	74,400	(22,451)	-30.18%
Profit Before Tax	9,153	15,628	(6,475)	-41.43%	26,956	54,634	(27,678)	-50.66%
Profit After Tax	7,327	14,619	(7,292)	-49.88%	20,839	42,033	(21,194)	-50.42%
Profit Attributable to Ordinary Equity Holders of the Parent	5,159	15,251	(10,092)	-66.17%	18,803	40,126	(21,323)	-53.14%

For the fourth quarter ended 31 March 2024, the Group registered revenue of RM293.714 million, reflecting a decrease of RM42.607 million or 12.67% as compared to the revenue of RM336.321 million for the corresponding quarter of the preceding year. The decline in revenue was due to lower revenue in the Trading & Services and Others division, despite an increase in revenue recorded in the Manufacturing division.

The Group operating profit decreased by RM6.279 million to operating profit of RM14.921 million in the current quarter as compared to operating profit of RM21.200 million for the corresponding quarter of the preceding year. The Group registered a profit before tax ("PBT") of RM9.153 million for the current quarter, a decrease in PBT of RM6.475 million as compared to PBT of RM15.628 million in the corresponding quarter of the preceding year. The decrease in operating profit and PBT were mainly attributable to the decrease in revenue.

Trading & Services division's revenue decreased by RM43.026 million to RM284.979 million for the current quarter compared to RM328.005 million for the corresponding quarter of the preceding year. The segment PBT decreased by RM6.369 million to PBT of RM6.800 million for the current quarter as compared to segment PBT of RM13.169 million for the corresponding quarter of the preceding year. The decline in segment revenue and PBT was mainly due to lower sales volume coupled with lower selling prices, and higher cost of goods sold resulting from increased foreign exchange rates.

Manufacturing division's revenue increased by RM0.678 million to RM7.649 million for the current quarter compared to RM6.971 million for the corresponding quarter of the preceding year. The segment PBT decreased by RM0.268 million to PBT of RM0.242 million for the current quarter as compared to PBT of RM0.510 million for the corresponding quarter of the preceding year. The higher segment revenue was primarily driven by higher sales volume despite lower average selling price. Lower segment PBT was mainly attributable to higher production cost.

15. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current Quarter 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes	
			RM'000	%
Revenue	293,714	323,485	(29,771)	-9.20%
Operating Profit	14,921	7,042	7,879	>100%
Profit Before Interest and Tax	15,148	7,186	7,962	>100%
Profit Before Tax	9,153	837	8,316	>100%
Profit After Tax	7,327	1,011	6,316	>100%
Profit Attributable to Ordinary Equity	5,159	1,590	3,569	>100%

The Group registered revenue of RM293.714 million in the current quarter which was RM29.771 million or 9.20% lower than the revenue of RM323.485 million for the immediate preceding quarter. The lower revenue was mainly attributable to lower sales volume despite higher average selling price in both the Trading and Services and Manufacturing divisions.

The Group operating profit increased by RM7.879 million to reach RM14.921 million in the current quarter as compared to an operating profit of RM7.042 million for the immediate preceding quarter. The PBT of the Group increased by RM8.316 million to PBT of RM9.153 million in the current quarter compared to PBT of RM0.837 million for the immediate preceding quarter. The increased in operating profit and PBT were mainly attributable to higher average selling price, reversal of impairment loss in inventories and lower interest expenses during the current quarter under review.

Trading & Services division's revenue decreased by RM28.829 million to RM284.979 million for the current quarter compared to RM313.808 million for the immediate preceding quarter. The segment PBT increased by RM7.185 million to PBT of RM6.800 million in the current quarter as compared to segment loss before tax (LBT) of RM0.385 million for the immediate preceding quarter. The lower segment revenue was mainly due to lower sales volume despite higher average selling price. The increased in PBT was mainly attributable to higher selling prices and lower interest expenses during the current quarter under review.

Manufacturing division's revenue decreased by RM0.675 million to RM7.649 million for the current quarter compared to RM8.324 million for the immediate preceding quarter. The segment PBT increased by RM0.193 million to PBT of RM0.242 million for the current quarter as compared to segment PBT of RM0.049 million for the immediate preceding quarter. The lower segment revenue was mainly due to lower sales volume despite higher average selling price. The higher PBT was mainly attributable to the reversal of impairment loss in inventories during the current quarter under review.

16. PROSPECTS

The global economy is continuing growing at a modest pace at a forecasted growth rate of 3.1 per cent in 2024, mirroring the 3.1% growth registered in 2023. While the impacts of tight monetary policies persist, global activity remains reasonably robust with a gradual easing in the rate of inflation and growing confidence in private sector.

In 2024, the Malaysia's economy is expected to sustain growth, buoyed by strong domestic demand and ongoing private sector development initiatives. Concurrently, Malaysia's economy is underpinned by continued supportive policy measures outlined in the Ekonomi Madani framework, which includes



the New Industrial Master Plan (NIMP) 2030 and the National Energy Transition Roadmap (NETR) as well as the Budget 2024 with a total development expenditure of RM90 billion.

On the other hand, Singapore’s external demand outlook has remained largely stable, with the Singapore’s government forecasting GDP growth rate between 1.0 percent to 3.0 percent. Key sectors in Singapore, such as manufacturing and tourism, anticipate a gradual rebound, driven by factors such as improved semiconductor sales and enhanced global connectivity, reinforcing Singapore’s resilience amidst evolving economic dynamics.

According to World Steel Association, the global steel demand is poised to rebound by 1.7 percent in 2024, reaching 1,793 million metric tonnes. As for ASEAN region, steel demand is anticipated to rise, driven by government infrastructure projects across many countries.

The Board is of the view that prospects and performance of the Group in the financial year ending 31 March 2025 will be both challenging and competitive, given the dynamic market environment, volatile global steel prices, inflationary pressures, high interest rates and fluctuating exchange rates. Despite these hurdles, the Board maintains confidence in the Group’s ability to navigate the complexities of the landscape and capitalise on opportunities for growth. The Group reaffirms its commitment to proactive management strategies through diligent planning and execution, aiming to mitigate risks and optimise performance, ensuring resilience and competitive in the market. By fostering innovation, enhancing operational efficiency and delivering value-added solutions, we will be well-positioned to embrace opportunities and achieve success in the next financial year.

17. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial year ending 31 March 2024.

18. TAXATION

The tax figures comprise of:

	3 months ended	12 months ended
	31.03.24	31.03.24
	RM’000	RM’000
Income tax		
- Current year taxation	1,826	6,613
- Prior year taxation	-	(496)
Deferred tax	-	-
	<u>1,826</u>	<u>6,117</u>

The Group’s effective tax rate for the current quarter and year to-date under review was lower than the statutory tax rate of 24% mainly due to certain incomes which are not taxable but the effect has been partially offset by certain expenses which are not deductible for tax purposes.

19. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the latest practical date from the issuance of this report.

20. BORROWINGS

The Group's borrowings as at 31 March 2024 are as follows:

	As At End of Current Quarter 31.03.2024 RM'000	As At End of Immediate Preceding Quarter 31.12.2023 RM'000
<u>Short Term borrowings</u>		
Secured	419,335	428,856
<u>Long Term borrowings</u>		
Secured	27,550	29,264
Total borrowings	446,885	458,120

The Group's borrowings decreased by RM11.235 million as at the current quarter to RM446.885 million compared with the immediate preceding quarter of RM458.120 million was mainly attributable to lower trade receivables during the current quarter under review.

The Group's borrowings are denominated in Ringgit Malaysia.

21. FINANCIAL DERIVATIVE INSTRUMENTS

Forward foreign exchange contracts are used to hedge foreign exchange risks associated with some of the transactions' exposure. As at end of the current quarter under review, the outstanding forward foreign currency exchange contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
Forward currency contracts	174,380	174,778

The fair value changes have been recognised in the financial statements.

22. MATERIAL LITIGATION

There was no material litigation for the quarter under review.

23. DIVIDEND

The Board of Directors have proposed a final single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 March 2024 (4th Quarter FYE 2023: 1.0 sen), amounting to a net dividend payable of RM6,276,879.84. The dividend is subject to approval by shareholders of the forthcoming Annual General Meeting. The book closure and payment dates for this dividend will be announced in due course.

24. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the number of weighted average number of ordinary shares of the Company in issue for the respective period as follows:

	Individual Quarter		Cumulative Quarter	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to owners of the parent (RM'000)	5,159	15,251	18,803	40,126
Number of ordinary shares in issue ('000)	418,459	418,459	418,459	418,459
Earnings per share (sen)				
- Basic	1.23	3.64	4.49	9.59
- Diluted	N/A	N/A	N/A	N/A

Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the current quarter/period-to-date as there are no potential ordinary shares to be issued.

25. INCLUDED IN THE TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ARE THE FOLLOWINGS:

	3 months ended 31.03.2024 RM'000	Cumulative 12 months Ended 31.03.2024 RM'000
Interest Income	21	453
Other Income including Investment Income	2,818	4,782
Interest Expenses	6,016	25,446
Depreciation & Amortisation	1,298	7,682
Provision for/Write off of Receivables	(237)	(225)
Provision for/Write off of Inventories	(402)	(402)
Gain/(Loss) on Disposal of Quoted and Unquoted Investment or Properties	(65)	(65)
Impairment of Assets	-	-



Gain/(Loss) on Foreign Exchange		
- Realised	2,080	12,035
- Unrealised	(258)	(3,655)
Gain/(Loss) on Derivatives	-	-
Impairment of Goodwill	-	-

26. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2024.

By Order of the Board
Leong Oi Wah (MAICSA 7023802)
SSM Practising Certificate No. 201908000717
Company Secretary
28 May 2024
Selangor Darul Ehsan