

**Condensed Consolidated Income Statements for the financial quarter ended 30 June 2010**

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>(3 months)</u>		<u>(12 months)</u>	
	Current year	Preceding year	Current year	Preceding year
	Quarter	Corresponding	To date	Corresponding
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	RM'000	RM'000	RM'000	RM'000
Revenue	134,899	81,727	465,805	383,283
Cost of sales	<u>(122,955)</u>	<u>(80,289)</u>	<u>(420,916)</u>	<u>(366,496)</u>
Contribution	11,944	1,438	44,889	16,787
Impairment loss on inventories	<u>-</u>	<u>3,956</u>	<u>-</u>	<u>(40,254)</u>
Gross profit/(loss)	11,944	5,394	44,889	(23,467)
Operating expenses	(7,732)	(7,559)	(16,341)	(15,000)
Other operating income	<u>547</u>	<u>483</u>	<u>891</u>	<u>1,033</u>
Profit/(loss) from operations	4,759	(1,682)	29,439	(37,434)
Finance cost	(1,920)	(1,919)	(8,097)	(8,404)
Exchange gain/(loss)	2,760	1,610	11,018	(3,697)
Share of results of associates	<u>(97)</u>	<u>(19)</u>	<u>(97)</u>	<u>(122)</u>
Profit/(loss) before tax	5,502	(2,010)	32,263	(49,657)
Tax	<u>(2,160)</u>	<u>2,209</u>	<u>(6,500)</u>	<u>11,302</u>
Profit/(loss) for the period	<u>3,342</u>	<u>199</u>	<u>25,763</u>	<u>(38,355)</u>
Earnings before interest, tax, depreciation and amortisation	<u>7,528</u>	<u>1,058</u>	<u>40,458</u>	<u>(26,581)</u>
Earnings/(loss) per share attributable to equity holders of the Company (sen):				
- Basic	<u>1.88</u>	<u>0.11</u>	<u>14.47</u>	<u>(21.48)</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009).

Condensed Consolidated Balance Sheets as at 30 June 2010

(The figures have not been audited)

	As at 30-Jun-10 RM'000	As at 30-Jun-09 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	286,128	292,465
Associate	9,147	13,186
Available-for-sale financial assets	318	935
Deferred tax assets	0	3,922
	<u>295,593</u>	<u>310,508</u>
CURRENT ASSETS		
Inventories	125,022	48,466
Trade and other receivables	70,557	37,175
Amount owing by an associate	0	248
Amount owing by holding company	569	542
Amount owing by related companies	35,507	15,577
Tax recoverable	400	117
Cash & bank balances	4,218	24,776
	<u>236,273</u>	<u>126,901</u>
LESS: CURRENT LIABILITIES		
Borrowings	142,558	100,820
Trade and other payables	69,795	19,432
Amount owing to holding company	3,018	2
Amount owing to related companies	385	365
	<u>215,756</u>	<u>120,619</u>
NET CURRENT ASSETS	<u>20,517</u>	<u>6,282</u>
LESS: NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,116	6
Borrowings	54,330	82,945
	<u>56,446</u>	<u>82,951</u>
	<u>259,664</u>	<u>233,839</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	179,000	179,000
Treasury shares	(383)	(331)
Share premium	14,919	14,919
Asset revaluation reserve	31,336	31,679
Retained earnings	34,792	8,572
TOTAL EQUITY	<u>259,664</u>	<u>233,839</u>
Net Tangible Assets per share attributable to equity holders of the Company	<u>RM1.45</u>	<u>RM1.31</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009).

**Condensed Consolidated Cash Flow Statement for the financial quarter ended 30 June 2010**

(The figures have not been audited)

	(12 months) 30-Jun-10 RM'000	(12 months) 30-Jun-09 RM'000
Profit/(loss) before tax	32,263	(49,657)
Adjustment for non-cash flow items :		
- Non-cash items	11,019	10,853
- Impairment loss on inventories	-	40,254
- Non-operating items	2,238	17,899
Operating profit before changes in working capital	45,520	19,349
Changes in working capital :		
- Net change in current assets	(109,938)	46,250
- Net change in current liabilities	50,758	(7,726)
- Changes in intercompany balances	(18,381)	(2,670)
Cash generated from operations	(32,041)	55,203
- Net interest paid	(8,066)	(8,145)
- Tax paid	(637)	4,427
Net cash flows from operating activities	(40,744)	51,485
Investing activities		
- Disposal/(purchase) of property, plant and equipment	(4,576)	(5,379)
- Rebate received from supplier on property, plant and equipment	-	5,389
	(4,576)	10
Financing activities		
- Dividend paid	-	(3,355)
- Proceeds from borrowings	23,353	(33,979)
- Advances from holding company	2,990	(571)
- Difference in related companies balances	(1,529)	(1,561)
- Purchase of own shares	(52)	(331)
	24,762	(39,797)
Net change in cash & cash equivalents	(20,558)	11,698
Cash & cash equivalents at beginning of financial year	24,776	13,078
Cash & cash equivalents at end of the financial year	4,218	24,776

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009).



Condensed Consolidated Statement of Changes in Equity for the financial quarter ended 30 June 2010

(The figures have not been audited)

	Attributable to equity holders of the Company					
	Asset					Total
	Share Capital	Treasury Shares	Share Premium	Revaluation Reserve	Retained Earnings	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended 30 June 2010						
Balance at beginning of the financial year	179,000	(331)	14,919	31,679	8,572	233,839
Realisation of revaluation surplus on disposal of property, plant and equipment, net of tax	-	-	-	(343)	457	114
Income and expense recognised directly in equity	-	-	-	(343)	457	114
Profit for the financial year	-	-	-	-	25,763	25,763
Total recognised income and expense for the financial year	-	-	-	(343)	26,220	25,877
Shares repurchased	-	(52)	-	-	-	(52)
Balance as at 30 June 2010	179,000	(383)	14,919	31,336	34,792	259,664
12 months ended 30 June 2009						
Balance at beginning of the financial year	179,000	-	14,919	31,679	50,282	275,880
Loss for the financial year	-	-	-	-	(38,355)	(38,355)
Total recognised income and expense for the financial year	-	-	-	-	(38,355)	(38,355)
Shares repurchased	-	(331)	-	-	-	(331)
Dividends distributed to equity holders	-	-	-	-	(3,355)	(3,355)
Balance as at 30 June 2009	179,000	(331)	14,919	31,679	8,572	233,839

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009).

Part A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standard (FRS) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia.

The Quarterly Report should be read in conjunction with the audited financial statements for the year ended 30 June 2009.

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 30 June 2009.

A2 Changes in Accounting Policies

The accounting policies and method of computation adopted in these interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 30 June 2009.

A3 Comparatives

In the current financial period, no comparative figures have been restated on the financial results.

A4 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended 30 June 2009 was not subject to any audit qualification.

A5 Seasonality or cyclicity of operation

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

A6 Unusual items

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

A7 Changes in estimates

In the current financial period, there were no changes in estimates that had a material effect on the financial results.

A8 Issuances and repayment of debts and equity securities

Share buy-back

There were no repurchase of own shares in the current financial quarter. Total repurchase of own shares from the open market as at 30 June 2010 remained at 1,040,300 shares. All the shares repurchased are being held as treasury shares.



Part A - EXPLANTORY NOTES PURSUANT TO FRS 134

A9 Dividend paid

During the financial period, there was no dividend paid by the Company.

A10 Segmental reporting

No segment analysis is prepared as the Group is involved in a single industry segment relating to the manufacturing and sale of steel products. The business of the Group is entirely carried out in Malaysia.

A11 Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the audited financial statements for the financial year ended 30 June 2009.

A12 Subsequent material events

There were no material events occurring between 30 June 2010 and the date of this announcement that has not been reflected in the financial statement for the period ended 30 June 2010.

A13 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period.

A14 Contingent liabilities or contingent assets

There are no contingent liabilities and contingent assets as at the end of the reporting quarter.

A15 Changes in Financial Year End Date

There were no changes in the financial year end date during the financial period.

A16 Capital Commitments

There are no outstanding capital commitments at the balance sheet date.



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

For the 3 months ended 30 June 2010, the group recorded a revenue amount of RM134.9 million as compared with RM81.7 million in the preceding year corresponding quarter due to improved steel prices and volume in the quarter. The group also recorded a profit before tax of RM5.5 million as compared with a pretax loss of RM2.0 million in the preceding year corresponding quarter. This is due to improved sales volume and margin during the fourth quarter of the financial year.

The above-mentioned results were contributed by the Company’s principal subsidiary, Mycron Steel CRC Sdn Bhd.

B2 Material changes in the quarterly results compared to the results of the immediate preceding quarter

Compared to the immediate preceding quarter, the group revenue increased from RM128.3 million to RM134.9 million and the group profit before tax decreased from RM15.0 million to RM5.5 million due to decreased profit margin during the fourth quarter of the financial year.

B3 Prospects for the current financial year

The Directors are of the opinion that international steel prices and demand for steel products had softened for the third quarter of 2010 but is expected to recover by the end of the year. The Directors are cautiously optimistic but take cognizance of the liberalization brought about by the Asean Free Trade Agreement (AFTA) and related Free Trade Agreements (FTAs). Barring any unforeseen circumstances, the Group expects to achieve satisfactory results for the financial year ending 30 June 2011.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises:-	<u>Individual Quarter</u>	<u>Cumulative Quarters</u>
	Current	Current Year
	Year Quarter	To Date
	30/6/2010	30/6/2010
	RM’000	RM’000
Current tax income/(expense)		
Current period	112	(353)
Over/(under) estimated in prior year	-	-
	112	(353)
Deferred tax income/(expense)		
Current period	(2,272)	(6,147)
Over/(under) estimated in prior year	-	-
	(2,160)	(6,500)



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

B6 Profit on sale of unquoted investments and / or properties

The Group did not engage in any sales of unquoted investments and / or properties.

B7 Purchase or disposal of quoted securities

There were no purchases or disposals of quoted securities for the current financial period.

B8 Status of corporate proposals

There were no outstanding corporate proposals.

B9 Group borrowings and debt securities

i) The Group's borrowings as at 30 June 2010 are as follows:

<u>Short term borrowings:</u>	<u>RM'000</u>
Secured	142,558

<u>Long term borrowings:</u>	
Secured	54,330
Total borrowings	<u>196,888</u>

The Group's currency exposure of borrowings as at 30 June 2010 is as follows:

	<u>RM'000</u>
- Ringgit Malaysia	122,598
- US Dollar (14,471,600)	47,424
- Euro (6,720,500)	<u>26,866</u>
Total borrowings	<u>196,888</u>

This level of borrowings corresponds to a net gearing ratio as at 30 June 2010 of 0.74 times of Total Equity.

The Group's borrowings were secured by way of a debenture over the fixed and floating assets of Mycron Steel CRC Sdn Bhd and a corporate guarantee by Mycron Steel Berhad.

ii) The Group did not enter into any foreign currency forward contracts during the financial period.

B10 Off balance sheet financial instruments

There are no off balance sheet financial instruments as at the date of this announcement.

B11 Material litigation

There are no material litigations pending as at the date of this announcement.

B12 Dividend

The Board of Directors of the Company had on 25 August 2010 recommended a first and final single tier dividend of 3.5 sen per share in respect of financial year ended 30 June 2010. This is subject to shareholders' approval at the forth coming AGM to be held on 30 November 2010.



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

B13 Earnings per share

(i) Basic earnings per ordinary share

	Current Year Quarter Ended 30 Jun 2010	Preceding Year Corresponding Quarter Ended 30 Jun 2009	Current Year To Date Ended 30 Jun 2010	Preceding Year Corresponding Period Ended 30 Jun 2009
Profit/(loss) attributable to shareholders (RM'000)	3,342	199	25,763	(38,355)
Weighted average number of ordinary shares in issue ('000)	177,998	178,590	177,998	178,590
Basic earnings/(loss) per share (sen)	1.88	0.11	14.47	(21.48)

(ii) Diluted earnings per ordinary share

This is not applicable to the Group

By order of the Board

LILY YIN KAM MAY (MAICSA 0878038)
EZZA HANIE BINTI ALIAS (LS 0009238)

Secretaries
Kuala Lumpur
26 August 2010