Part A - EXPLANTORY 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 (ñMFRSò) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (ñMASBò) and Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (ñBursa Malaysiaò) Listing Requirements. In addition, the financial statements comply with IFRS as issued by IASB. The report should be read in conjunction with the Groupös audited financial statements for the financial year ended 30 June 2016 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 financial year ended 30 June 2016.

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 2016, except for the following new amendments to the MFRS (ñstandardsò) effective from 1 January 2016 which the Group shall apply commencing from the current quarter:

- Amendments to MFRS 11 óJoint arrangementsô which requires an investor to apply the principles of MFRS 3 óBusiness Combinationô when it acquires an interest in a joint operation that constitutes a business

- Amendments to MFRS 116 óProperty, plant and equipmentô and MFRS 138 óIntangible assetsô which clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment, or to calculate the consumption of the economic benefits embodied in an intangible asset unless demonstrated to be highly correlated ï is not appropriate.

The application of the above did not have any financial impact on this quarterly report.

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

- Amendments to MFRS 107 óStatement of Cash Flows ï Disclosure Initiativeô (effective from 1 January 2017)
- Amendments to MFRS 112 óIncome Taxes - Recognition of Deferred Tax Assets for Unrealised Lossesô (effective from 1 January 2017)
- MFRS 9 óFinancial Instrumentsô (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.
- MFRS 15 óRevenue from contracts with customersô (effective from 1 January 2018) replaces MFRS 118 óRevenueô and MFRS 111 óConstruction contractsô and related interpretations.
- MFRS 16 óLeasesô (effective from 1 January 2019) supersedes MFRS 117 óLeasesô and the related interpretations.

The Group is of the opinion that the abovementioned new standards, amendments to standards and interpretations are unlikely to have any material financial impact to the Group upon their initial application when effective.

Part A - EXPLANTORY NOTES PURSUANT TO MFRS 134

A2 Declaration of audit qualification

The audit report of the Group and the Company in respect of the annual financial statements for the financial year ended 30 June 2016 was not subject to any audit qualification.

A3 Seasonality or cyclicality of operations

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

A4 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.

A5 Changes in estimates

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

A6 Debts and equity securities

Other than the disposal of 450,000 treasury shares as outlined below, there were no issuances, cancellations, repurchases, or resale of equity securities during the current financial quarter.

	Treasury Shares		Contribution to Paid-in Capital (RM)
	Number	Sen/share	
Opening 1 July 2016	1,000,000	36.79	8,569
disposal on 20 Sept 2016	(50,000)	88.00	25,269
disposal on 21 Sept 2016	(100,000)	88.75	51,282
disposal on 22 Sept 2016	(100,000)	92.46	54,964
disposal on 23 Sept 2016	(200,000)	92.93	111,058
Closing 30 Sept 2016	550,000	36.79	251,142

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

	30 Sep 2016	30 Jun 2016
Total interest bearing debts in RMömillion	206.3	191.1
Adjusted Shareholdersô funds in RMömillion	325.9	315.4
Gearing Ratio	0.63	0.61

Of the total interest bearing debts as at 30 September 2016, around RM107.5m is represented by the respective debenture at its two main operating subsidiaries, whilst the balance is represented by interest-bearing unsecured supplierös credit also at the respective operating subsidiaries. (See Note B10). The operating subsidiaries complied with their respective Gearing Ratio covenants for the current financial quarter ended 30 September 2016.

A7 Dividend paid

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

Part A - EXPLANTORY NOTES PURSUANT TO MFRS 134

A8 Segmental reporting

Segmental information in respect of the Groupôs business segments is as follows:

	Cold Rolled	Steel Tube	Others	Total
	RMô000	RMô000	RMô000	RMô000
Revenue				
Total revenue	116,002	57,447	1,211	174,660
Inter segment	(6,668)	-	(495)	(7,163)
External revenue	109,334	57,447	716	167,497
Pre-tax profit	8,128	5,374	81	13,583
Segment assets	422,616	164,479	943	588,038

	RMô000
Segment assets	588,038
Derivative assets	2,667
Tax recoverable	260
	590,965

The businesses of the Group are carried out entirely in Malaysia.

A9 Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward from the audited financial statements for the financial year ended 30 June 2016 and adjusted for the current financial yearôs depreciation where appropriate to reflect the current periodôs ending net carrying value.

Part A - EXPLANTORY NOTES PURSUANT TO MFRS 134

A10 Fair Value Measurement

Except for the financial instruments disclosed below which are fair valued by valuation methods, 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 methods are categorised into the following fair value hierarchy and are represented in the table below as at 30 September 2016:

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		
Foreign Currency Forwards	Level 1	Level 2	Level 3
as Assets (not hedge accounted)	0	144.3	0
as Assets (hedge accounted)	0	2,522.7	0
as Liabilities (not hedge accounted)	0	(25.3)	0
as Liabilities (hedge accounted)	0	0	0
Total	0	2,641.7	0

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 or transactions for the current quarter affecting the Group's financial position and performance of its entities.

Part A - EXPLANTORY NOTES PURSUANT TO MFRS 134

A12 Subsequent material events

There were no material events occurring between 1 October 2016 and the date of this announcement that warrant adjustments or disclosure to the financial statements for the quarter ended 30 September 2016.

A13 Changes in the composition of the Group

There is no change to the composition of the Group during the current financial quarter.

A14 Contingent liabilities or contingent assets

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

A15 Changes in Financial Year End Date

There is no change to the financial year end date during the current financial quarter.

A16 Capital Commitments

There are no material capital commitments provided for in the financial statements at the end of the current reporting quarter.

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**

For the 1st quarter ended 30 September 2016, the Group registered a total revenue of RM167.5 million as compared to RM131.9 million achieved in the preceding year
's corresponding quarter - mainly due to higher sales volume and higher unit selling price for the current quarter. In comparison with the preceding year's corresponding quarter, the sales volume for the Cold Rolled subsidiary for the current quarter is up 27% and the average unit selling price is up 6%, whilst the Steel Tube subsidiary's sales volume is up 11% and the average unit selling price is up 3%.

The Group recorded a profit before tax of RM13.6 million for the current quarter as compared to RM4.3 million in the preceding year's corresponding quarter. The better performance for the current quarter compared to the preceding year's corresponding quarter is mainly attributed to the higher gross profit achieved of RM22.6 million (preceding year's corresponding quarter gross profit: RM14.0 million) due to the higher sales volume and higher unit selling price in both the Cold Rolled and Steel Tube segments. Consequently, the Group recorded an after-tax profit of RM10.1 million for the current quarter as compared to the preceding year's corresponding quarter of RM2.8 million.

The Group recorded a higher EBITDA at RM19.6 million compared to the preceding year's corresponding quarter of RM11.3 million.

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

The Group's revenue at RM167.5 million for the current 1st quarter is around 13% higher than the immediate preceding quarter's RM148.3 million despite the Ramadan and Hari Raya festive period saddling the current quarter. The higher revenue is attributed to the increase in unit selling price for the Cold Rolled subsidiary by 10% and the increase in sales volume for the Steel Tube subsidiary by 12%.

The Group registered a lower pre-tax profit of RM13.6 million compared with the immediate preceding quarter's pre-tax profit of RM21.0 million excluding impairment/write-down on property, plant and equipment (PPE). The main reason for the the lower gross profit is attributed to the lower spread between selling price and raw material in the Cold Rolled segment. At the post-tax level, the Group recorded a net profit of RM10.0 million which is slightly higher compared to a net profit of RM9.3 million in the immediate preceding quarter (after impairments of PPE).

The Group recorded a lower quarterly EBITDA at RM19.6 million compared to the preceding quarter's RM27.2 million.

B3 Prospects for the remaining financial year

The already weak domestic economic outlook has been knocked down a few notches due to anticipated policy changes of the new US administration from its recently concluded 58th presidential election. Anticipated impact from policy changes affecting yields and a stronger USD, coupled with the negative global spotlight on myriad of domestic issues, knocked the already weak Ringgit to unprecedented low levels- which does not bode well for the country. Foreign capital flight aside, the badly shrunken Ringgit further pushes up costs, erode wealth, increases debt service obligations of the nation's foreign debts, and increases its sovereign credit risk.

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

B3 Prospects for the remaining financial year (continue)

Specific to the Groupφs steel businesses, the ramifications of the aforementioned are generally negative. Besides the weak Ringgit which increases the landed cost of imported raw materials, Hot Rolled Coil prices in USD also saw sharp increases by more than 15% in the early 2nd financial quarter following the sharp rise in coking-coal prices by more than 70% in the current financial quarter. Even-though the Groupφs steel businessesô financial performance is not directly correlated with steel prices, such sharp movement in prices may affect demand and erode margins in the near-term. The acceleration of cost pushed inflation translates to higher production and operation costs which in the near-term may also erode margins.

The spike in crude steel prices has already started to boost crude steel production in China, and this may result in surge of steel exports again to the region and disrupt the domestic steel market. However, the Groupφs steel products are in the óflatô category which is in a better position to compete given the existing trade measures against unfair competition from imports. On the positive side, the wide industrial applications of the Groupφs flat steel products provide a relatively stable demand base ï as certain óend consumerô output may benefit from the weaker Ringgit in export markets. On-going and planned mega infrastructural and construction projects in the country will also continue to provide a strong support for local steel demand.

In conclusion, the Groupφs prospect outlook for the remaining of the current financial year is óchallengingô with mounting pressure on margins.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Profit before taxation

Profit before taxation is stated after charging/ (crediting):

	Current Year Quarter Ended 30 Sep 2016 RMφ000	Preceding Year Corresponding Quarter Ended 30 Sep 2015 RMφ000	Current Year To Date Ended 30 Sep 2016 RMφ000	Preceding Year Corresponding Period Ended 30 Sep 2015 RMφ000
Depreciation	3,763	3,954	3,763	3,954
Interest income	(130)	(120)	(130)	(120)
Interest expense	2,354	3,239	2,354	3,239
FX differences (gain)/loss	4,304	11,343	4,304	11,343
FX derivatives loss/(gain)	(4,155)	(10,468)	(4,155)	(10,468)

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

B6 Taxation

Taxation comprises :

	Current Year Quarter Ended 30 Sep 2016 RM'000	Preceding Year Corresponding Quarter Ended 30 Sep 2015 RM'000	Current Year To Date Ended 30 Sep 2016 RM'000	Preceding Year Corresponding Period Ended 30 Sep 2015 RM'000
Current tax (expense)/credit				
Current period	(1,524)	(285)	(1,524)	(285)
Deferred tax (expense)/income				
Current period	(1,978)	(1,146)	(1,978)	(1,146)
	(3,502)	(1,431)	(3,502)	(1,431)

B7 Profit on sale of unquoted investments and / or properties

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

B8 Purchase or disposal of quoted securities

There are no purchases or disposals of quoted securities in the current financial quarter- other than its own treasury shares as disclosed in Note A6.

B9 Status of corporate proposals

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

B10 Group borrowings and debt securities

The Group's borrowings from lending institutions as at 30 September 2016, which are denominated entirely in Ringgit Malaysia, are as follows:

	RM'000
Short-term borrowings:	
Secured	98,664
Unsecured	2,374
Long-term borrowings:	
Secured	6,421
Total borrowings	107,459

Besides the above borrowings, the Group's Cold Rolled subsidiary and the Steel Tube subsidiary also draw on interest-bearing trade credits from their respective raw-coil suppliers with outstanding amounts of RM63.8 million and RM35.0 million respectively as at 30 September 2016. Inclusive of this, the Group's net gearing ratio as at 30 September 2016 is around 0.63 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 (ñUSDò) and certain sales denominated in Singapore Dollar (ñSGDò). 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 2016 are outline below:

Non-designated

FX Forward Contracts (SDG/RM) as non-designated hedging instrument				
	Notional Value ó000		Fair Value RMô000	
Maturity	Short SGD	Long RM	Financial Asset	Financial Liability
Less than 1 year	585	1,758	-	25.3

Non-designated

FX Forward Contracts (USD/RM) as non-designated hedging instrument				
	Notional Value ó000		Fair Value RMô000	
Maturity	Long USD	Short RM	Financial Asset	Financial Liability
Less than 1 year	1,840	7,511	144.3	-

Designated

FX Forward Contracts as designated hedging Instrument					Forward purchase of raw material and/or a/c payable as hedge items				
	Notional Value ó000		Fair Value RMô000			Notional Value ó000		Fair Value RMô000	
Maturity	Long USD	Short RM	Financial Asset	Financial Liability	Maturity	Short USD	n.a.	Financial Asset	Financial Liability
Less than 1 year	33,163	135,655	2,522.7	-	Matching	33,163	n.a.	-	2,522.7

Besides the above unrealized positions, the Group has recorded a total realized net gain of around RM1.5 million from its FX Forward Contracts incepted for hedging purposes 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.

(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 to meet its obligations.

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

B11 Outstanding Derivatives (continued)

(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

Off balance sheet financial instruments as at the date of this announcement are bank guarantees issued amounting to RM6.9 million being security for inbound supply of goods and services; and corporate guarantees issued to lenders for borrowings extended to its principal subsidiaries, Mycron Steel CRC Sdn. Bhd. and Melewar Steel Tube Sdn. Bhd. amounting to RM104.3 million as at 30 September 2016.

B13 Material litigation

The Group is not engaged in any material litigation, either as a plaintiff or defendant, claims or arbitration which have a material effect on the financial position of the Group and the Board is 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.

B14 Dividend

The Company did not declare any dividend for the financial period ended 30 September 2016.

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 Ended 30 Sep 2016	Preceding Year Corresponding Quarter Ended 30 Sep 2015	Current Year To Date Ended 30 Sep 2016	Preceding Year Corresponding Period Ended 30 Sep 2015
Profit/(loss) attributable to owners (RMô000)	10,081	2,831	10,081	2,831
Weighted average number of ordinary shares in issue (net of treasury shares) (ô000)	282,995	282,505	282,995	282,505
Basic earnings per share (sen)	3.56	1.00	3.56	1.00

(ii) Diluted earnings per ordinary share

This is not applicable to the Group.

B16 Realised and Unrealised Profits/Losses Disclosure

	As at 30/9/2016 RMô000	As at 30/6/2016 RMô000
Total retained profits of the Company and its subsidiaries:		
- Realised	135,584	123,363
- Unrealised	(17,772)	(15,632)
	117,812	107,731
Add: Consolidation adjustments	(218)	(218)
Total group retained profits as per consolidated accounts	117,594	107,513

This interim financial statements have been authorized for issue by the Board of Directors on the date set-forth below.

By order of the Board
LILY YIN KAM MAY (MAICSA 0878038)

Secretaries
Kuala Lumpur
28 November 2016