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 (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 Groupôs 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 where applicable commencing from the 1st quarter of the current financial year:

- 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 - EXPLANATORY 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 150,000 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 Apr 2017	150,000	36.79	554,053
disposal on 26 Apr 2017	(1,000)	84.00	428
disposal on 28 Apr 2017	(149,000)	83.33	68,528
Closing 30 Jun 2017	-	-	623,009

Footnote: ñPaid-in-Capitalò has been reclassified into ñPaid-Up Capitalò pursuant to the transition provision Sec 618(2) of the Companies Act 2016 in-relation to the abolishment of the ñpar-valueò concept.

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 Jun 2017	30 Jun 2016
Total interest bearing debts in RMô million	249.6	191.1
Adjusted Shareholdersô funds in RMô million	353.3	315.4
Gearing Ratio	0.71	0.61

Of the total interest bearing debts as at 30 June 2017, around RM82.9m is represented by the respective debenture at its two main operating subsidiaries, whilst the balance is represented by interest-bearing unsecured supplierôs credit also at the respective operating subsidiaries. (See Note B10). The higher absolute gearing for the current quarter ended is attributed to higher trade credits drawn to finance higher inventory carrying value of RM177.6m (as compared to RM96.7m as at 30 June 2016) due to higher average inventory cost per tonne by about 21% and higher volume by around 52%. Debt covenants where applicable are in full compliance for the current financial quarter ended 30 June 2017.

A7 Dividend paid

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

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A8 Segmental reporting

The Groupôs year-to-date segmental information by business segments is as follows:

	Cold Rolled	Steel Tube	Others	Total
	RMô000	RMô000	RMô000	RMô000
Revenue				
Total revenue	482,110	266,829	7,315	756,254
Inter segment	(27,611)	-	(2,447)	(30,058)
External revenue	454,499	266,829	4,868	726,196
Pre-tax profit	16,094	30,014	263	46,371
Segment assets	467,870	199,088	692	667,650

	RMô000
Segment assets	667,650
Derivative assets	142
Tax recoverable	249
	668,041

The businesses of the Group are carried out entirely in Malaysia. ñPre-tax Profit to Segment Assets Employedò percentage for the Steel Tube Segment at 15.1% is significantly higher than the Cold Rolled Segmentôs at 3.4% partly due to the fact that the Steel Tube Segment does not own the factoriesô land and building (fair valued at around RM100 million as at 30 June 2017) which are rented from its ultimate Shareholding Company and sister company for a monthly sum of RM455,400.

A9 Valuation of property, plant and equipment

In-conjunction with the current financial year ended 30 June 2017, the Groupôs property, plant and equipment were revalued by an independent firm of professional valuers based on open market value. Arising from the said revaluation, the surpluses net deferred tax amounting to RM3.0 million was credited to the asset revaluation reserve while the deficits less reversal of provision for impairment charge on planned assets write-off totaling RM2.1 million was charged to profit or loss as an impairment loss in the current quarter.

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 June 2017:

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

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A10 Fair Value Measurement (continued)

Recurring fair value measurement	Fair Value RM'000		
Foreign Currency Forwards	Level 1	Level 2	Level 3
as Assets (not hedge accounted)	0	5.6	0
as Assets (hedge accounted)	0	136.5	0
as Liabilities (not hedge accounted)	0	(109.7)	0
as Liabilities (hedge accounted)	0	(2,927.2)	0
Total	0	(2,894.8)	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.

A12 Subsequent material events

On 23 August 2017, the Company announced a proposed renounceable Rights Issue of 1-for-5 shares held with free detachable Warrants of 1-for-2 Rights Shares subscribed. The proposed fund raising exercise aims to raise a minimum of RM10.8 million and a maximum of RM28.3 million to fund the steel businesses' capital expenditure program and working capital.

Besides the above, there were no other material events occurring between 1 July 2017 and the date of this announcement that warrant adjustments or disclosure to the financial statements for the quarter ended 30 June 2017.

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

At the end of the current reporting quarter, the Group's Cold Rolled subsidiary has an outstanding capital commitment of around USD0.85m (RM3.65m) for the supply and installation of new motor-drives for its 'rolling mill'. The said capital commitment will be payable over five milestones running into calendar year 2018.

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 (4th quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 30/6/2017	Preceding Year Corresponding Quarter 30/6/2016			Current Year To-date 30/6/2017	Preceding Year Corresponding Period 30/6/2016		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	185,865	148,330	37,535	25%	726,196	566,809	159,387	28%
Operating Profit	14,355	22,653	(8,298)	-37%	58,685	51,419	7,266	14%
Profit Before Interest and Tax	12,247	14,596	(2,349)	-16%	56,577	43,362	13,215	30%
Profit Before Tax	9,436	12,354	(2,918)	-24%	46,371	32,400	13,971	43%
Profit After Tax	6,927	9,336	(2,409)	-26%	33,899	24,178	9,721	40%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,927	9,336	(2,409)	-26%	33,899	24,178	9,721	40%

For the 4th quarter ended 30 June 2017, the Group registered a total revenue of RM185.9 million as compared to RM148.3 million achieved in the preceding yearôs corresponding quarter - mainly due to higher unit selling price and sales volume for the current quarter. In comparison with the preceding yearôs corresponding quarter, the average unit selling price for the Cold Rolled subsidiary for the current quarter is up 45%, whilst the Steel Tube subsidiaryôs average unit selling price is up 14% and sales volume is up 19%.

The Group recorded a lower profit before tax of RM9.4 million for the current quarter as compared to RM12.4 million in the preceding yearôs corresponding quarter. The weaker performance for the current quarter compared to the preceding yearôs corresponding quarter is mainly attributed to the lower gross profit achieved of RM21.9 million (preceding yearôs corresponding quarter gross profit: RM30.5 million) due to lower sales volume and higher unit conversion cost from lower production volume in the Cold Rolled segment. Consequently, the Group recorded an after-tax profit of RM6.9 million for the current quarter as compared to the preceding yearôs corresponding quarter of RM9.3 million. The Groupôs lower performance for the current quarter compared to the precedingôs year corresponding quarter can largely be attributed to the early Ramadan and Hari Raya festive period saddling the current quarter which resulted in poorer sales for June 2017.

The Group recorded a lower EBITDA at RM18.2 million compared to the preceding yearôs corresponding quarter of RM27.2 million.

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

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

	Current Quarter 30/6/2017	Immediate Preceding Quarter 31/3/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	185,865	192,139	(6,274)	-3%
Operating Profit	14,355	13,401	954	7%
Profit Before Interest and Tax	12,247	13,401	(1,154)	-9%
Profit Before Tax	9,436	10,796	(1,360)	-13%
Profit After Tax	6,927	7,363	(436)	-6%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	6,927	7,363	(436)	-6%

The Groupọs revenue at RM185.9 million for the current 4th quarter is around 2% lower than the immediate preceding quarterọs RM192.1 million. The lower revenue for the current quarter is mainly attributed to the overall slower sales in June 2017 due to the early Ramadan and Hari Raya festive period.

The Group registered a lower pre-tax profit of RM9.4 million compared with the immediate preceding quarterọs pre-tax profit of RM10.8 million mainly due to the impairment loss on property, plant and equipment of RM2.1 million in the current quarter. Correspondingly, the Group recorded a lower net-tax profit of RM6.9 million compared to a net-tax profit of RM7.4 million in the immediate preceding quarter.

The Group recorded a higher quarterly EBITDA at RM18.2 million compared to the preceding quarterọs RM17.2 million.

B3 Prospects for the next financial year

The Countryọs strong headline GDP growth for the 1st half of 2017 was in-tandem with all-time high inflation-rate fuelled by prolonged weak currency and rising cost. Eroded purchasing power parity against all major and regional currencies has become rather permanent, and this does not bode well for its economy as wealth are destroyed, whilst costlier everything suppresses demand, savings, capital investments, and economic returns. The Countryọs economic prospect for the next financial year would like stay fragile as structural issues besieging the nation remained largely intact and have manifested. Disruption risks from regional geopolitical tension and impending domestic general election further add to its downside risk.

Specific to the domestic Steel industry, it faced challenges in rising costs, soft demand, and sharp swings in raw steel prices during the current financial year. Despite the difficult conditions, the overall sentiment of the domestic steel industry for the current financial year has been cautiously positive as up-streamọs frailties no longer burden the entire steel value chain. Chinaọs control of its excess steel capacity has boosted regional steel prices and earned positive re-rating of the industry; but the tighter capacity has also resulted in quicker respond to slowdown or rise in demand with sharper swings in raw steel prices. In this regard, market consensus on a likely economic slowdown in China by the next financial year may result in a sharp tumble from current high raw steel prices. Even though the Groupọs business performance is not directly correlated to raw steel price movement, any sharp downswings may negatively affect margins due to overarching industrial-buying behaviour. The contrary would apply if the current buoyant raw steel price continues itsô bull-run into the most part of next financial year.

Business outlook for the Groupọs Cold-Rolled-Coil and Steel Tubes for the next financial year is expected to remain cautious with greater volatility and squeeze on margins. However, the Groupọs flat-steel products serving a wide spectrum of industrial applications and downstream-manufacturing for both the domestic and export markets should sustain a positive performance, barring any severe external shocks. The Groupọs prospects for the next financial year should be cautiously positive.

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

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 Jun 2017 RMâ000	Preceding Year Corresponding Quarter Ended 30 Jun 2016 RMâ000	Current Year To Date Ended 30 Jun 2017 RMâ000	Preceding Year Corresponding Period Ended 30 Jun 2016 RMâ000
Depreciation	3,870	4,031	15,219	16,015
Interest income	(397)	(136)	(951)	(448)
Interest expense	3,208	2,378	11,157	11,410
FX differences (gain)/loss	(4,264)	1,427	3,751	(458)
FX derivatives loss/(gain)	4,403	(1,516)	(3,000)	1,192

B6 Taxation

Taxation comprises :

	Current Year Quarter Ended 30 Jun 2017 RMâ000	Preceding Year Corresponding Quarter Ended 30 Jun 2016 RMâ000	Current Year To Date Ended 30 Jun 2017 RMâ000	Preceding Year Corresponding Period Ended 30 Jun 2016 RMâ000
Current tax (expense)/credit				
Current period	(2,045)	(1,238)	(8,486)	(2,765)
Deferred tax (expense)/income				
Current period	(464)	(1,780)	(3,986)	(5,458)
	(2,509)	(3,018)	(12,472)	(8,223)

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 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.

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 Groupôs borrowings from lending institutions as at 30 June 2017, which are denominated entirely in Ringgit Malaysia, are as follows:

	RMô000
Short-term borrowings:	
Secured	78,610
Long-term borrowings:	
Secured	4,298
Total borrowings	82,908
	======

Based on the above, the Groupôs bank-gearing ratio is around 0.24 times. Besides the said borrowings, the Groupôs 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 RM112.5 million and RM54.2 million respectively as at 30 June 2017. Inclusive of this, the Groupôs absolute-gearing ratio as at 30 June 2017 is around 0.71 times.

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.

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

B11 Outstanding Derivatives (continued)

Details on outstanding derivative FX forward contracts for both the non-designated and designated for hedge accounting as at 30 June 2017 are outline below:

Non-designated

FX Forward Contracts (SGD/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	300	942	5.6	3.0

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	1,495	6,535	-	106.7

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	35,353	155,542	136.5	2,927.2	Matching	35,353	n.a.	2,927.2	136.5

Besides the above unrealized positions, the Group has recorded a total realized net gain of around RM5.9 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.

(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.

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

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 RM3.5 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 RM110.7 million as at 30 June 2017.

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 June 2017.

B15 Earnings per share

(i) Basic earnings per ordinary share

	Current Year Quarter Ended 30 Jun 2017	Preceding Year Corresponding Quarter Ended 30 Jun 2016	Current Year To Date Ended 30 Jun 2017	Preceding Year Corresponding Period Ended 30 Jun 2016
Profit/(loss) attributable to owners (RM'000)	6,927	9,336	33,899	24,178
Weighted average number of ordinary shares in issue (net of treasury shares) ('000)	283,545	282,545	283,333	282,515
Basic earnings per share (sen)	2.44	3.30	11.96	8.56

(ii) Diluted earnings per ordinary share

This is not applicable to the Group.

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

B16 Realised and Unrealised Profits/Losses Disclosure

	As at 30/6/2017 RM'000	As at 30/6/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	159,361	123,363
- Unrealised	(17,731)	(15,632)
	141,630	107,731
Add: Consolidation adjustments	(218)	(218)
Total group retained profits as per consolidated accounts	141,412	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)

Secretary
Kuala Lumpur
28 August 2017