Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the third financial quarter ended 31 March 2018

(The figures have not been audited)

	Individual Quarter (3 months)		Cumulative Quarters (9 months)	
	Current year Quarter 31-Mac-18 RM'000	Preceding year Corresponding Quarter 31-Mac-17 RM'000	Current year To date 31-Mac-18 RM'000	Preceding year Corresponding Period 31-Mac-17 RM'000
Revenue	206,877	192,139	585,786	540,331
Cost of sales	(191,991)	(170,788)	(537,385)	(474,018)
Gross profit	14,886	21,351	48,401	66,313
Operating expenses	(8,580)	(7,642)	(24,025)	(21,501)
Other operating income/(expense)	47	90	123	130
Net foreign exchange gain/(loss)	399	(398)	1,164	(612)
Profit from operations	6,752	13,401	25,663	44,330
Finance income	365	232	1,056	554
Finance costs	(1,564)	(2,837)	(6,321)	(7,949)
Profit before tax	5,553	10,796	20,398	36,935
Tax	(1,674)	(3,433)	(5,549)	(9,963)
Profit for the period	3,879	7,363	14,849	26,972
Other comprehensive income				
Asset revaluation reserves:				
- revaluation surplus on				
property, plant and equipment, net of tax	-	-	-	-
Total profit and other comprehensive income for the period	3,879	7,363	14,849	26,972
Earnings per share attributable to owners of the Company (sen):				
- Basic	1.37	2.60	5.24	9.52
- Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017).

Condensed Consolidated Statements of Financial Position as at 31 March 2018

(The figures have not been audited)

	As at 31-Mac-18 RM'000	As at 30-Jun-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	289,865	294,514
Intangible Assets	20,000	20,000
	309,865	314,514
Current Assets		
Inventories	176,083	177,176
Trade and other receivables	133,952	106,249
Amount owing by holding company	1,550	263
Amount owing by related companies	2,805	4,860
Tax recoverable	249	258
Derivative financial assets	32	142
Cash and bank balances	63,933	64,588
	378,604	353,536
Less: Current Liabilities		
Borrowings	73,303	78,610
Trade and other payables	191,284	181,469
Amount owing to holding company	1,032	4,000
Amount owing to related companies	1,132	1,073
Tax payable	0	1,651
Derivative financial liabilities	8,761	3,037
	275,512	269,840
Net Current Assets	103,092	83,696
Non-Current Liabilities		
Deferred tax liabilities	21,466	19,758
Borrowings	2,488	4,298
	23,954	24,056
	389,003	374,154
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	206,364	206,364
Asset revaluation reserve	25,534	25,534
Retained earnings	157,105	142,256
Total Equity	389,003	374,154
Net assets per share attributable to owners of the Company	RM1.37	RM1.32

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017).

Condensed Consolidated Statements of Cash Flows for the third financial quarter ended 31 March 2018

(The figures have not been audited)

	(9 months) 31-Mac-18 RM'000	(9 months) 31-Mac-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,398	36,935
Adjustments for :		
- Depreciation	11,228	11,349
- Loss/(gain) on disposal of plant and equipment	15	49
- Plant and equipment written off	93	17
- Net unrealised (gain)/loss on foreign exchange	(204)	(361)
- Interest income	(1,056)	(554)
- Interest expense	6,321	7,949
Operating profit before changes in working capital	36,795	55,384
Changes in working capital :		
- Inventories	1,094	(93,043)
- Trade and other receivables	(27,593)	(15,315)
- Trade and other payables	15,743	69,610
- Intercompanies balances	(2,141)	11,767
Cash flows generated from/(used in) operations	23,898	28,403
- Interest paid	(6,321)	(7,949)
- Interest received	1,056	554
- Tax paid	(5,483)	(3,919)
Net cash flows generated from/(used in) operating activities	13,150	17,089
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(6,793)	(2,199)
- Proceeds from disposal of property, plant and equipment	105	153
Net cash flows (used in)/generated from investing activities	(6,688)	(2,046)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Disposal of treasury shares	-	858
- Proceeds from bank borrowings	118,320	190,000
- Repayment of bank borrowings	(125,437)	(178,036)
Net cash flows (used in)/generated from financing activities	(7,117)	12,822
Net change in cash and cash equivalents	(655)	27,865
Cash and cash equivalents at beginning of the financial year	64,588	27,630
Cash and cash equivalents at end of the financial year	63,933	55,495

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017).

Condensed Consolidated Statements of Changes in Equity for the third financial quarter ended 31 March 2018

(The figures have not been audited)

	Attributable to owners of the Company							
	Non-Distributable Reserve							
	Share Capital RM'000	Share Premium RM'000	Other Non-Distributable Capital Reserve [N1] RM'000	Paid-in Capital [N2] RM'000	Treasury Shares RM'000	Asset Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000
9 months ended 31 March 2018								
At 1 July 2017 [N3]	206,364	-	-	-	-	25,534	142,256	374,154
Comprehensive income for the financial period								
- Profit for the financial period	-	-	-	-	-	-	14,849	14,849
Other comprehensive income for the financial period								
Asset revaluation reserves:								
- revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	14,849	14,849
As at 31 March 2018	206,364	-	-	-	-	25,534	157,105	389,003
9 months ended 31 March 2017								
At 1 July 2016	70,886	19,100	115,754	9	(368)	22,545	107,513	335,439
Comprehensive income for the financial period								
- Profit for the financial period	-	-	-	-	-	-	26,972	26,972
Other comprehensive income for the financial period								
Asset revaluation reserves:								
- revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	26,972	26,972
Disposal of treasury shares	-	-	-	545	313	-	-	858
Transition to no-par value regime on 31 January 2017 [N3]	135,408	(19,100)	(115,754)	(554)	-	-	-	-
As at 31 March 2017	206,294	-	-	-	(55)	22,545	134,485	363,269

N1 This arose from the par value reduction exercise from RM1.00 to RM0.25 in Financial Year 2015

N2 This being the gain from disposal of treasury shares

N3 The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and similar non-distributable reserves (ie. Paid-in Capital and the Other Non-Distributable Capital Reserve) become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of those accounts totalling RM135,408,350 for purposes as set out in Sections 618 (3) where permitted. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017).

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 2017 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 2017.

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 2017, except for the following new amendments to the MFRS (ñstandardsò) effective from 1 January 2017 which the Group has adopted since the 1st quarter of the current financial year:

- Amendments to MFRS 107 óStatement of Cash Flows ï Disclosure Initiativeô - which introduced additional disclosure on changes in liabilities arising from financing activities
- Amendments to MFRS 112 óIncome Taxes - Recognition of Deferred Tax Assets for Unrealised Lossesô- which clarify the requirements for recognizing deferred tax asset on unrealized losses arising from deductible temporary difference on asset carried at fair value.

The adoption of the above did not have any material impact on the Groupôs financial statements to-date.

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.

- IC Interpretation 22 óForeign Currency Transactions and Advance Considerationô (effective from 1 January 2018) applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the ódate of the transactionô to record foreign currency transactions.
- 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.
- IC Interpretation 23 óUncertainty over Income Tax Treatmentsô (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation & Significant Accounting Policies (continued)

Preliminary review indicates 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. The Group has since the preceding quarter conducted detailed impact assessment on the two new standards coming into effect in the next financial year from 1 July 2018:

- MFRS 9
  The application of MFRS 9 is not expected to result in any material change to the Groupôs classification and measurement of its financial assets and liabilities; nor in its hedge accounting practices that are aligned with its risk management practices- compared to the requirements under MFRS139. The new ñExpected Credit Lossò (ECL) model increases the scope for credit impairment with the additions of forward looking information and estimates. Given that the Groupôs credit risks are mainly concentrated in short-term trade receivables, the Group shall apply allowable practical-expedient in ECL provision based on a supportable ñoverdue-days matrixò. Barring any unforeseeable development of adverse conditions which may negatively affect credit outlook, the adoption of the ECL model is not expected to result in material increase in credit impairment for the initial application period as well as on retrospective adjustments.

- MFRS 15
  The application of MFRS 15 is not expected to result in any material change to the timing and quantum of revenue recognition of the Group for the initial application period and the comparative retrospective period. The steel businessesô nature of sales are mainly spot and/or short-term based on generic simplified contracts with single point fulfilment at predetermined prices ï which under normal circumstances do not give rise to any contract assets or liabilities. The sales contract for ñgoodsò are generally separated from ñservicesò, and these do not entail any financing feature beyond short-credit periods customary to the industry.

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 2017 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.

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A6 Debts and equity securities

There were no issuances, cancellations, repurchases, or resale of equity securities during the current financial quarter.

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

	31 Mac 2018	30 Jun 2017
Total interest bearing debts in RMômillion	245.5	249.7
Adjusted Shareholdersô funds in RMômillion	369.0	354.2
Absolute Gearing Ratio	0.67	0.71

Of the total interest bearing debts as at 31 March 2018, around RM75.8m is represented by the respective debenture at its two main operating subsidiaries, whilst the balance is represented by unsecured interest-bearing supplierôs credit also at the respective operating subsidiaries. (See Note B10). Debt covenants where applicable are in full compliance for the current financial quarter ended 31 March 2018.

A7 Dividend paid

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

A8 Segmental reporting

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

	Cold Rolled	Steel Tube	Others	Total
	RMô000	RMô000	RMô000	RMô000
Revenue				
Total revenue	407,319	200,838	2,627	610,784
Inter segment	(22,409)	-	(2,589)	(24,998)
External revenue	384,910	200,838	38	585,786
Pre-tax profit	7,555	12,638	205	20,398
Segment assets	476,633	210,740	815	688,188

	RMô000
Segment assets	688,188
Derivative assets	32
Tax recoverable	249
	688,469

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A8 Segmental reporting (continued)

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 6.0% is significantly higher than the Cold Rolled Segmentôs at 1.6% 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

The valuation of property, plant and equipment has been brought forward from the audited financial statements for the financial year ended 30 June 2017 and adjusted for the current financial yearôs depreciation where appropriate to reflect the current periodôs ending net carrying value.

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 31 March 2018:

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 RMô000		
Foreign Currency Forwards	Level 1	Level 2	Level 3
as Assets (not hedge accounted)	0	31.7	0
as Assets (hedge accounted)	0	0	0
as Liabilities (not hedge accounted)	0	(33.8)	0
as Liabilities (hedge accounted)	0	(8,727.5)	0
Total	0	(8,729.6)	0

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

Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

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

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

A13 Changes in the composition of the Group

There were no 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 reporting quarter.

A15 Changes in Financial Year End Date

There were no changes 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 balance of around RM1.16m for the supply and installation of new motor-drives for its 'rolling mill'; whilst, its Steel Tube subsidiary has an outstanding capital commitment balance of around RM0.6m for plant-equipment. The said capital commitments will be payable over established milestones running into financial year 2019.

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 (3rd quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 31/3/2018	Preceding Year Corresponding Quarter 31/3/2017			Current Year To-date 31/3/2018	Preceding Year Corresponding Period 31/3/2017		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	206,877	192,139	14,738	8%	585,786	540,331	45,455	8%
Operating Profit	6,752	13,401	(6,649)	-50%	25,663	44,330	(18,667)	-42%
Profit Before Interest and Tax	6,752	13,401	(6,649)	-50%	25,663	44,330	(18,667)	-42%
Profit Before Tax	5,553	10,796	(5,243)	-49%	20,398	36,935	(16,537)	-45%
Profit After Tax	3,879	7,363	(3,484)	-47%	14,849	26,972	(12,123)	-45%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,879	7,363	(3,484)	-47%	14,849	26,972	(12,123)	-45%

For the 3rd quarter ended 31 March 2018, the Group registered an 8% higher total revenue of RM206.9 million as compared to RM192.1 million achieved in the preceding yearȁs corresponding quarter mainly due to higher unit selling price but lower sales volume. At segment level, the average unit selling price for the current quarter for the Cold Rolled and the Steel Tube segments is up 16% and 11% respectively compared with the preceding year corresponding quarter, whilst sales volume is down 6% for the Cold Rolled segment and 5% for the Steel Tube segment.

The Group recorded a lower profit before tax of RM5.6 million for the current quarter as compared to RM10.8 million in the preceding yearȁs corresponding quarter. The weaker performance for the current quarter compared to the preceding yearȁs corresponding quarter is mainly attributed to the lower gross profit achieved of RM14.9 million (preceding yearȁs corresponding quarter gross profit: RM21.4 million) due to lower sales volume in both Cold Rolled and Steel Tube segment. Consequently, the Group recorded an after-tax profit of RM3.9 million for the current quarter as compared to the preceding yearȁs corresponding quarter of RM7.4 million.

The Group recorded a lower EBITDA at RM10.5 million compared to the preceding yearȁs corresponding quarter of RM17.2 million.

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

	Current Quarter 31/3/2018	Immediate Preceding Quarter 31/12/2017	Changes	
	RM'000	RM'000	RM'000	%
Revenue	206,877	199,159	7,718	4%
Operating Profit	6,752	8,709	(1,957)	-22%
Profit Before Interest and Tax	6,752	8,709	(1,957)	-22%
Profit Before Tax	5,553	6,737	(1,184)	-18%
Profit After Tax	3,879	5,163	(1,284)	-25%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,879	5,163	(1,284)	-25%

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 (continued)

The Groupô revenue at RM206.9 million for the current 3rd quarter is around 4% higher than the immediate preceding quarter at RM199.2 million. The higher revenue for the current quarter is due to higher unit selling price for both Cold Rolled and Steel Tube segment and higher sales volume for the Steel Tube segment. At segment level, the average unit selling price for the current quarter for the Cold Rolled and the Steel Tube segments is up 4% and 1% respectively whilst the sales volume is higher by around 6% for the Steel Tube but lower by around 2% for the Cold Rolled.

The Group registered a lower pre-tax profit of RM5.6 million compared with the immediate preceding quarterô pre-tax profit of RM6.7 million mainly due to the lower gross profit margin contributed by the Cold Rolledô lower sales volume in the current quarter. Correspondingly, the Group recorded a lower net-tax profit of RM3.9 million compared to a net-tax profit of RM5.2 million in the immediate preceding quarter.

The Group recorded a lower quarterly EBITDA at RM10.5 million compared to the preceding quarterô RM12.5 million.

B3 Prospects for the remaining financial year

The Countryô GDP growth for the 1st fiscal quarter of 2018 was lower at 5.4%, but would likely spike-up again in the 2nd fiscal quarter in-conjunction with the 14th General Election (GE). The unprecedented outcome of the 14th GE casts a plethora of uncertainties amidst post-election revelations and the rolling out of promised manifesto in the first hundred days at office for the new government. Whilst the equity and the forex market took a beating in the aftermath of the election, the economic outlook of the country for the remaining fiscal year would likely remain robust with the revitalized consumer sentiment, buoyant export-commodity prices, coupled with improving current account and trade balances.

Unfretted by antitrade measures undertaken by the USA, regional steel outlook in the current quarter generally remains positive with raw steel prices holding high- largely attributed to Chinaô robust economy. The domestic steel industry on the other hand has been facing severe margins / earnings squeeze in current and recent past quarters due to heightened cost pressure and unfair foreign competition amid a generally soft-market. The weaker performance of the Group for the current financial quarter compared with the preceding financial yearô comparative quarter reflects the difficult business and market environment in-which it currently operates. Whilst the new government has begun to rollout measures to alleviate ócost-of-livingô pressure on the general masses which will also boost domestic consumption, the ramifications of the aforementioned on the domestic steel industry and the Groupô steel businesses remains uncertain. An increase in minimum wage pushes up production cost is unfavorable; the scrapping of the GST releases working capital is favorable; and a return to the old Sales and Service Tax regime which in the past did not cover steel materials can be favorable. The new governmentô call to review all mega-projects by the previous administration may lead to cancellation or scale-back which would negatively impact steel demand. Nevertheless, the new government has espoused priority for the economy and the continuity of pro-business policies, which should augur positively for the domestic steel sector if executed well. In the immediate-term, the Group will continue to work closely with the authorities to address unfair pricing of competing Cold Rolled Coil (CRC) imports, and to ensure competing imports are not at the detriment of the domestic manufacturers.

Business outlook and prospects for the Groupô Cold-Rolled-Coil and Steel Tubes for the remaining financial year remains cautious given the uncertainties transcending the steel market. Nevertheless, the Group hopes to sustain a positive performance for the remaining financial year barring any severe external shocks.

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 31 Mac 2018 RMâ000	Preceding Year Corresponding Quarter Ended 31 Mac 2017 RMâ000	Current Year To Date Ended 31 Mac 2018 RMâ000	Preceding Year Corresponding Period Ended 31 Mac 2017 RMâ000
Depreciation	3,752	3,808	11,228	11,349
Interest income	(365)	(232)	(1,056)	(554)
Interest expense	1,564	2,837	6,321	7,949
FX differences (gain)/loss	(7,121)	(4,699)	(17,580)	8,015
FX derivatives loss/(gain)	6,722	5,097	16,416	(7,403)

B6 Taxation

Taxation comprises :

	Current Year Quarter Ended 31 Mac 2018 RMâ000	Preceding Year Corresponding Quarter Ended 31 Mac 2017 RMâ000	Current Year To Date Ended 31 Mac 2018 RMâ000	Preceding Year Corresponding Period Ended 31 Mac 2017 RMâ000
Current tax (expense)/credit				
Current period	(1,260)	(2,172)	(3,841)	(6,441)
Deferred tax (expense)/income				
Current period	(414)	(1,261)	(1,708)	(3,522)
	(1,674)	(3,433)	(5,549)	(9,963)

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

(i) Proposed Rights Issue with Warrant

The Company had on 23 August 2017 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 an indicative maximum of RM28.3 million to fund the steel businessesô capital expenditure program and working capital.

The shareholders of the Company have approved the above in an Extraordinary General Meeting held on 20 April 2018. The Company is currently working on the abridged prospectus as the next milestone.

(ii) Proposed Acquisition of Factory Leased Land and Building

The Company had on 20 November 2017 announced that its wholly owned steel tube subsidiary Melewar Steel Tube Sdn Bhd has entered into a conditional agreement to acquire a factory leased land and buildings on Lot 53, Persiaran Selangor, Shah Alam from its ultimate and immediate holding company Melewar Industrial Group Bhd for a total consideration sum of RM26 million based on independent valuation.

The shareholders of the Company have approved the proposed acquisition in an Extraordinary General Meeting held on 20 April 2018. The Company also has recently secured mortgage financing at 80% of the transaction value. Parties to the transaction are now awaiting the Selangor Stateǿs consent for the sale and transfer of the subject property as the next milestone.

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

B10 Group borrowings and debt securities

The Groupĝs borrowings from lending institutions as at 31 March 2018, which are denominated entirely in Ringgit Malaysia, are as follows:

	RMĝ000
Short-term borrowings:	
Secured	73,303
Long-term borrowings:	
Secured	2,488
Total borrowings	75,791
	======

Cash-flow movement in-relation to ĉchanges in liabilities arising from financing activitiesĝ on a year-to-date basis is outlined below:

	RMĝ000
Total Borrowingsĝ opening balance as at 1 July 2017	82,908
Cash Flows:	
Inflows from new debts	118,320
Outflows on repayment	(125,437)
Non-Cash Changes:	-
Closing balance as at 31 March 2018	75,791
	======

Based on the above, the Groupĝs bank-gearing ratio is around 0.21 times. Besides the said borrowings, the Groupĝs Cold Rolled subsidiary and the Steel Tube subsidiary also draw on interest-bearing trade credits from their respective raw-coil suppliers with outstanding amounts at RM117.6 million and RM52.1 million respectively as at 31 March 2018. Inclusive of this, the Groupĝs absolute-gearing ratio as at 31 March 2018 is around 0.67 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 31 March 2018 are outline 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 Asset	Financial Liability
Less than 1 year	330	1,006	31.7	-

Non-designated

FX Forward Contracts (USD/RM) as non-designated hedging instrument				
	Notional Value '000		Fair Value RM'000	
Maturity	Long USD	Short RM	Financial Asset	Financial Liability
Less than 1 year	525	2,068	-	33.8

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 Asset	Financial Liability	Maturity	Short USD	n.a.	Financial Asset	Financial Liability
Less than 1 year	52,150	210,737	-	8,727.5	Matching	52,150	n.a.	8,727.5	-

Besides the above unrealized positions, the Group has recorded a total realized net loss of around RM7.7 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 RM98.7 million as at 31 March 2018.

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 31 March 2018.

B15 Earnings per share

(i) Basic earnings per ordinary share

	Current Year Quarter Ended 31 Mac 2018	Preceding Year Corresponding Quarter Ended 31 Mac 2017	Current Year To Date Ended 31 Mac 2018	Preceding Year Corresponding Period Ended 31 Mac 2017
Profit attributable to owners (RM'000)	3,879	7,363	14,849	26,972
Weighted average number of ordinary shares in issue (net of treasury shares) ('000)	283,545	283,395	283,545	283,262
Basic earnings per share (sen)	1.37	2.60	5.24	9.52

(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 31/3/2018 RM'000	As at 30/6/2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	176,741	160,194
- Unrealised	(19,418)	(17,720)
	157,323	142,474
Add: Consolidation adjustments	(218)	(218)
Total group retained profits as per consolidated accounts	157,105	142,256

These 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 May 2018