



## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS &amp; OTHER COMPREHENSIVE INCOME

## FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2024

(The figures have not been audited)

	Individual Quarter Ended		9 Months Year-To-Date Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Revenue	226,004	126,571	563,963	380,818
Cost of sales	(208,729)	(119,342)	(527,662)	(359,686)
Impairment on inventories	-	-	-	(9,822)
Gross profit/(loss)	17,275	7,229	36,301	11,310
Operating expenses	(9,335)	(7,362)	(25,283)	(22,289)
Other operating income/(expense), net	1,669	1,115	2,073	992
Net foreign exchange gain/(loss)	1,153	365	2,210	245
Profit/(loss) from operations	10,762	1,347	15,301	(9,742)
Impairment provision on property, plant and equipment	(1,300)	(112)	(1,427)	(112)
Finance income	412	431	1,391	1,001
Finance costs	(2,559)	(1,514)	(6,177)	(4,534)
<b>Profit/(loss) before tax</b>	<b>7,315</b>	<b>152</b>	<b>9,088</b>	<b>(13,387)</b>
Tax	128	(471)	(290)	1,112
<b>Profit/(loss) for the period</b>	<b>7,443</b>	<b>(319)</b>	<b>8,798</b>	<b>(12,275)</b>
<b>Other comprehensive income</b>				
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-
<b>Total profit/(loss) and other comprehensive income for the period</b>	<b>7,443</b>	<b>(319)</b>	<b>8,798</b>	<b>(12,275)</b>
Earnings/(loss) per share attributable to owners of the Company (sen):				
- Basic	2.28	(0.10)	2.69	(3.75)
- 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 2023).



## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

(The figures have not been audited)

	As at 31-Mar-24 RM'000	As at 30-Jun-23 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	302,385	310,966
Right-of-use assets	44,242	47,947
Intangible assets	20,000	20,000
	<u>366,627</u>	<u>378,913</u>
<b>Current Assets</b>		
Inventories	265,131	173,694
Trade and other receivables	127,873	69,986
Financial assets at fair value through profit or loss	3,050	2,900
Tax recoverable	2,188	1,412
Derivative financial assets	596	1,062
Cash and bank balances	41,530	78,159
	<u>440,368</u>	<u>327,213</u>
<b>Less: Current Liabilities</b>		
Trade and other payables	67,697	41,230
Contract liabilities	1,903	6,419
Amount owing to holding company	2	3
Amount owing to related companies	1,123	291
Tax payable	147	78
Derivative financial liabilities	76	-
Borrowings	163,294	90,863
Lease liabilities	4,334	4,203
	<u>238,576</u>	<u>143,087</u>
<b>Net Current Assets</b>	<u>201,792</u>	<u>184,126</u>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	34,094	34,915
Deferred income	8,191	5,731
Borrowings	8,944	10,734
Lease liabilities	14,948	18,215
	<u>66,177</u>	<u>69,595</u>
	<u>502,242</u>	<u>493,444</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	219,417	217,677
Warrant reserves	-	1,740
Asset revaluation reserve	53,901	53,901
Retained earnings	228,924	220,126
<b>Total Equity</b>	<u>502,242</u>	<u>493,444</u>
<b>Net assets per share attributable to owners of the Company</b>	<u>RM1.54</u>	<u>RM1.51</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2023).



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	<b>9 Months Year-To-Date Ended</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	9,088	(13,387)
Adjustments for :		
- Depreciation	15,058	14,712
- Gain on disposal of plant and equipment	(191)	(153)
- Impairment provision on property, plant and equipment	1,427	112
- Impairment on inventories	-	9,822
- Writeback of impairment on receivables	-	(83)
- Fair value (gain)/loss on financial assets at fair value through profit or loss	(150)	(500)
- Amortisation of deferred income	(1,441)	(114)
- Net unrealised (gain)/loss on foreign exchange	(658)	(418)
- Interest income	(1,391)	(1,001)
- Interest expense	6,177	4,534
Operating profit before changes in working capital	27,919	13,524
Changes in working capital :		
- Inventories	(91,437)	94,426
- Trade and other receivables	(55,604)	10,564
- Trade and other payables	25,233	(146,111)
- Contract liabilities	(4,515)	(6,905)
- Intercompanies balances	982	845
- Tax paid	(1,818)	(4,399)
Net cash flows generated from/(used in) operating activities	(99,240)	(38,056)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Purchase of property, plant and equipment	(4,409)	(9,454)
- Proceeds from disposal of property, plant and equipment	402	77
- Proceeds from grant on property, plant and equipment	3,900	-
- Interest received	1,391	1,001
Net cash flows generated from/(used in) investing activities	1,284	(8,376)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Proceeds from bank borrowings	257,740	207,599
- Repayment of bank borrowings	(187,100)	(199,480)
- Payment of lease liabilities	(3,136)	(3,012)
- Interest paid	(6,177)	(4,534)
Net cash flows generated from/(used in) financing activities	61,327	573
Net change in cash and cash equivalents	(36,629)	(45,859)
Cash and cash equivalents at beginning of the financial year	78,159	111,796
Cash and cash equivalents at end of the financial year	41,530	65,937

**(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2023).**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2024**

(The figures have not been audited)

	Attributable to owners of the Company				
	Non-distributable				
	Share Capital RM'000	Warrant Reserves RM'000	Asset Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000
<b>9 months ended 31 March 2024</b>					
At 1 July 2023	217,677	1,740	53,901	220,126	493,444
Comprehensive income for the financial period					
- Profit for the financial period	-	-	-	8,798	8,798
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	8,798	8,798
Transfer on expiry of Warrants	1,740	(1,740)	-	-	-
As at 31 March 2024	219,417	-	53,901	228,924	502,242
<b>9 months ended 31 March 2023</b>					
At 1 July 2022	217,677	1,740	42,783	232,462	494,662
Comprehensive income for the financial period					
- Loss for the financial period	-	-	-	(12,275)	(12,275)
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(12,275)	(12,275)
As at 31 March 2023	217,677	1,740	42,783	220,187	482,387

(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 2023).



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1 Basis of Preparation & Significant Accounting Policies

This Quarterly Condensed Consolidated Report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements. In addition, the financial statements comply with IFRS as issued by IASB. The report should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2023 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 preceding financial year ended 30 June 2023.

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 2023, except for the following new amendments to the MFRS (“standards”) effective for financial year beginning after 1 July 2023 which the Group has since adopted.

- MFRS 17, Insurance Contracts replaces MFRS 4
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these amendments did not have any impact on the Group’s financial statements for the current period.



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1 Basis of Preparation & Significant Accounting Policies (continued)

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.

#### Effective for financial year beginning after 1 July 2024.

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendment to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

#### Effective for financial year beginning after 1 July 2025.

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments to published standards will be adopted when effective.

### 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 2023 was not subjected to any audit qualification.

### A3 Seasonality or cyclicity 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. This current 3<sup>rd</sup> financial quarter saddled both the aforementioned festivities.



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### 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 in the current financial quarter.

### A5 Changes in estimates

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

### A6 Debts and equity securities

Over the current financial quarter on 26 January 2024, the Company's 21,756,070 units of listed warrants lapsed without being exercised. The corresponding warrant-reserves amounting to RM1,740,486 was transferred to the Company's share capital. Besides the aforementioned, there were no issuances, cancellations, repurchases, or resale of equity securities during the current financial quarter.

The Group has a policy to maintain its' Gearing Ratio (measured as interest bearing debts over shareholders' equity adjusted for the exclusion of intangibles) at below 1.5 times, consistent with its bank covenants.

	31 Mar 2024	30 Jun 2023
Total interest-bearing debts in RM'million	223.8	129.2
Adjusted Shareholders' Funds in RM'million	516.3	508.4
Absolute Gearing Ratio	0.43	0.25

On the total interest-bearing debts as at 31 March 2023, around RM160.5 million is represented by the respective debenture at its steel-tube and cold-rolled subsidiaries, whilst RM51.6 million is represented by unsecured interest-bearing supplier's credit also at the respective operating subsidiaries. (See Note B10). Debts of RM11.7 million is secured against a fixed charge on a property and other specific assets to-which the financing relates. Lease liability classification pursuant to MFRS 16 are excluded from the ratio computation as these are contractually non-interest bearing.

The higher absolute-gearing for the current 3<sup>rd</sup> financial quarter-end is due to higher trade-financing drawn (on inventories and receivables) in tandem with higher business volume.

### A7 Dividend paid

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



Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A8 Segmental reporting

The Group's year-to-date segmental information by nature-of-business is as follows:

	Cold Rolled	Steel Tube	Others	Total
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Total revenue	498,030	247,113	4,858	750,001
Inter-segment elimination	(150,378)	(30,802)	(4,858)	(186,038)
External revenue	347,652	216,311	-	563,963
Pre-tax (loss)/profit	(124)	8,817	395	9,088
Segment assets	471,290	328,644	4,276	804,210
		RM'000		
Segment assets		804,210		
Derivative assets		596		
Tax recoverable		2,189		
		<u>806,995</u>		

Although the Group's businesses are carried out entirely in Malaysia for the domestic market, its steel segments also serve foreign markets where feasible. Since the preceding quarter, the Group's export sales have grown to exceed the threshold of 10% or more of total revenue, warranting further analysis by geographic segments:

	Cold Rolled	Steel Tube	Total
	RM'000	RM'000	RM'000
<u>Year-to-Date Revenue by Geographic Areas</u>			
Malaysia	214,958	184,468	399,425
ASEAN	-	29,018	29,018
Non-ASEAN	132,695	2,825	135,520
Total External Revenue	347,652	216,311	563,963

\*ASEAN: Association of South East Asian Nations





**Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A9 Valuation of Property, Plant & Equipment (PPE), and Rights-of-Use (ROU) Assets.**

The valuation on PPE has been brought forward from the audited financial statements for the preceding financial year ended 30 June 2023 and adjusted for the current financial year’s depreciation and impairment-provisions where appropriate to reflect the current period’s ending net carrying value.

**A10 Fair Value Measurement**

Except for the financial instruments disclosed below which are fair valued, 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 are categorised into the following fair value hierarchy and are represented in the table below as at 31 March 2024:

- 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		
	Level 1	Level 2	Level 3
Investment in Quoted Shares	3,050.0	-	-
Foreign Currency Forwards			
as Assets (not hedge accounted)	-	2.7	-
as Assets (hedge accounted)	-	592.9	-
as Liabilities (not hedge accounted)	-	(59.0)	-
as Liabilities (hedge accounted)	-	(16.7)	-
Total	3,050.0	519.9	-

The Investment in Quoted Shares is fair valued by way of marking-to-market using the quoted closing price on Bursa Malaysia. The Foreign Currency Forwards are fair valued by way of marking-to-market using reference bank’s published forward rates.



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### A11 Significant events and transactions

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

### A12 Subsequent material events

There are no material subsequent events up-till the date of this report which may affect 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 current financial 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 and Steel Tube subsidiary has an outstanding capital commitment balance of around RM1.0 million and RM0.9 million respectively for plant-equipment. These capital commitments will be payable over established milestones in the current financial year.



**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 Qtr3 ended 31 Mar				Cumulative 9 months YTD ended 31 Mar			
	FY 2024	FY 2023	Changes		FY 2024	FY 2023	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	226,004	126,571	99,433	78.6	563,963	380,818	183,145	48.1
Operating Profit/(Loss)	10,762	1,347	9,415	699.0	15,301	(9,742)	25,043	257.1
Profit/(Loss) Before Interest and Tax	9,462	1,235	8,227	666.2	13,874	(9,854)	23,728	240.8
Profit/(Loss) Before Tax	7,315	152	7,163	4,712.5	9,088	(13,387)	22,475	167.9
Profit/(Loss) After Tax	7,443	(319)	7,762	2,433.2	8,798	(12,275)	21,073	171.7
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	7,443	(319)	7,762	2,433.2	8,798	(12,275)	21,073	171.7

For the 3<sup>rd</sup> financial quarter ended 31 March 2024, the Group registered a 79% higher revenue at RM226.0 million (compared to the preceding year's corresponding quarter at RM126.6 million), mainly due to higher sales volume by both the Cold Rolled (CRC) segment (up 152%) and the Steel Tube segment (up 15%). However, the average unit selling prices are down 5% and 11% respectively for the said segments in tandem with lower market steel prices as reflected in the segments' lower raw material input cost.

Despite the said unit price decline, the average unit gross margin for both the segments are up around 20% and 13% respectively due to lower unit manufacturing cost from higher volumes. As a result, the Group's gross profit for the current 3<sup>rd</sup> quarter at around RM17.3 million is up 1.4 folds from the comparative quarter. The Group's operating profit for the current 3<sup>rd</sup> financial quarter is up almost 7 folds against the comparative period after netting flat operating-expenses, higher outbound delivery costs, and higher net-FOREX gain. Correspondingly, the Group's earning-measures at pre-tax and post-tax levels for the current period rebounded strongly compared to the comparative period – as shown in the above table.

The current 3<sup>rd</sup> financial quarter's performance has been significantly boosted by the rise in export-volume (up 10 folds compared to the comparative period) -mostly by the CRC segment. Despite the current period's lesser operation-days due to the double Chinese New Year (CNY) and Ramadan festivities & holidays, domestic business volume for the current period has marginally outperformed (up 0.2 folds compared to the low-base comparative-period which had saddled only the CNY festive-lows).

The Group recorded a higher EBITDA of RM14.7 million in the current quarter compared to the preceding year's corresponding quarter's EBITDA of RM5.2 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**

	Qtr3 FY2024	Qtr2 FY2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	226,004	175,181	50,823	29.0
Operating Profit/(Loss)	10,762	1,066	9,696	909.6
Profit/(Loss) Before Interest and Tax	9,462	939	8,523	907.7
Profit/(Loss) Before Tax	7,315	(286)	7,601	2,657.7
Profit/(Loss) After Tax	7,443	132	7,311	5,538.6
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	7,443	132	7,311	5,538.6

The Group's revenue for the current period at RM226.0 million is up around 29% compared to the immediate-preceding period at RM175.2 million. This is attributed to the higher sales volume (up 25% mostly due to higher exports) amid marginally higher average selling prices (up 3%) by the Cold Rolled (CRC) segment. The Steel Tube segment recorded a 18% drop in sales volume (amid a flat average unit selling price) in the current period due to its predominantly domestic-market-exposure which was affected by the double CNY and Ramadan festive lows. The Group's export (as percentage of total revenue) for the current period is higher at 34% compared to the preceding period at 25%.

Resulting from the better volume-throughput by the CRC segment and marginally better gross-spread by the Steel Tube segment, the Group recorded a higher gross profit of around RM17.3 million for the current period compared to the immediate-preceding quarter at around RM8.6 million. Correspondingly, the Group's earning-measures at operating, pre-tax, and post-tax levels, all turned higher for the current financial quarter compared to the preceding period – as shown in the above table.

The Group recorded a higher EBITDA of RM14.7 million in the current quarter compared to the immediate-preceding quarter's EBITDA of RM5.0 million.

**B3 Prospects for the remaining financial year**

Coinciding with the Group's current 3<sup>rd</sup> financial quarter (Q3), the Nation posted a 4.2% GDP growth driven mainly by domestic consumption. Performance contribution from the manufacturing sector to GDP-growth remains a weak-link. The Nation's factory activities contracted for the 19<sup>th</sup> consecutive months based on the S&P Global Malaysia manufacturing PMI. Even-though much of that can be blamed on external turmoil, some regional peers (i.e. Indonesia, Philippines, & Vietnam) confronting the same have outperformed. The domestic steel market was tougher in Q3 compared to the preceding quarters due to weak local demand; intense competition from foreign-imports (i.e. China and Vietnam due to trade-diversion); and dipped in regional steel prices (by around 10%).

Moving into the last 4<sup>th</sup> financial quarter (Q4), we see limited upside for the domestic steel market. Global turmoil -which has manifested since 2022 -looks set to worsen in the coming quarters with prolonged unabated high interest rates, multi-front geopolitical conflicts & tensions, and increasing trade-protectionism & diversion. Touted billions in FDIs on data centres, cloud-computing and semiconductor downstream – will not add to steel demand beyond initial construction. Whilst domestic consumption has shown resilience (on the back of the deeply depreciated Ringgit, and cost-pushed inflation), sentiment is beginning to sour with the rise in consumption taxes, and higher energy & utility prices- which will soon extend to fuel. On top of that, businesses also have to bear with increasing labour and compliance cost on ESG topics, e-invoicing, & tighter enforcements.

**PART B – EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)**
**B3 Prospects for the remaining financial year (continued)**

Nevertheless, the Group has taken strategic steps where possible to navigate the dynamics:

- We are actively represented in major steel-industry bodies to engage with the newly set-up 'Independent Special Committee for Domestic Iron & Steel Industry' to set the course and policies towards fulfilling the Nation's New Industrial Master Plan and National Energy Transition Plan – which would support the Group's steel businesses in the medium-long term.
- We proactively expand our market channels abroad amidst chasm from global supply chain revamp and trade-blocs polarisation, and at the same time defend against product-dumping and 'duty/tariff evading' imports. Both our segments have enrolled with Malaysia External Trade Development Corporation's recent cradle-program to promote exports.
- We continuously optimize renewable energy investments to reduce cost over the long run, and to promote greener product offerings to our customers as strategic product differentiation.

In-summary, despite the mounting challenges but barring any major external implosion, the Group is hopeful to sustain its positive performance momentum to end the 4<sup>th</sup> financial quarter at a higher note.

**B4 Variance of actual profit from forecast profit**

This is not applicable to the Group.

**B5 Profit/(loss) before taxation**

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

	Individual Qtr3 ended 31 Mar		Cumulative 9 months YTD ended 31 Mar	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Depreciation:				
- property, plant and equipment	3,920	3,811	11,710	11,364
- right-of-use assets	1,116	1,116	3,348	3,348
Finance income	(412)	(431)	(1,391)	(1,001)



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

**B5 Profit/(loss) before taxation (continued)**

	Individual Qtr3 ended 31 Mar		Cumulative 9 months YTD ended 31 Mar	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Finance costs on:				
- borrowings	2,354	1,268	5,533	3,765
- lease liabilities	205	246	644	769
FX differences loss/(gain)	4,687	3,802	1,670	3,549
FX derivatives (gain)/loss	(5,840)	(4,167)	(3,880)	(3,794)

**B6 Taxation**

Taxation comprises :

	Individual Qtr3 ended 31 Mar		Cumulative 9 months YTD ended 31 Mar	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Current tax credit/(expense)				
Current period	827	(511)	(1,111)	(715)
Deferred tax (expense)/income				
Current period	(699)	40	821	1,827
	128	(471)	(290)	1,112

**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 were no purchases or disposals of quoted securities in the current financial quarter.

**B9 Status of corporate proposals**

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



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

**B10 Group borrowings and debt securities**

The Group’s borrowings from lending institutions as at 31 March 2024, which are denominated entirely in Ringgit Malaysia, are as follows:

	<u>RM'000</u>
<u>Short-term borrowings:</u>	
Secured	163,294
<u>Long-term borrowings:</u>	
Secured	8,944
Total borrowings	<u>172,238</u> =====

Cash-flow movement in-relation to ‘changes in liabilities arising from financing activities’ on a year-to-date basis is outlined below:

	<u>RM'000</u>
Total Borrowings’ opening balance as at 1 July 2023	101,597
<u>Cash Flows:</u>	
Inflows from new debts	257,741
Outflows on repayment	(187,100)
Closing balance as at 31 March 2024	<u>172,238</u> =====

Based on the above, the Group’s bank-gearing ratio is around 0.33 times. Besides the said borrowings, the Group also draws on interest-bearing trade credits from its raw-coil suppliers with an outstanding amount of RM51.6 million. Inclusive of that, the Group’s absolute-gearing ratio as at 31 March 2024 is 0.43 times.

**B11 Outstanding Derivatives**

The Group has exposure to foreign currency exchange (FOREX) risk arising from current and future payment-obligations in foreign currency on imports; and from current and future receivable-rights in foreign currency on exports. Where possible, the Group seeks to optimize natural FOREX hedge between its foreign-currency denominated rights and obligations. Any residue FOREX risk exposures are then hedged with forward foreign currency exchange contracts (FX forwards) at between 50-80% coverage – depending on the length of the forward period and forward quotes.



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

**B11 Outstanding Derivatives (continued)**

Where eligible, the Group designates hedge relations on FX forwards (i.e. hedge instruments) incepted to cover its residue FOREX exposure on financial obligations and rights (i.e. hedge items) for the purpose of hedge accounting. These are designated as fair value hedges with the arising mark-to-market FOREX fair value gain/ (loss) on both the hedge instruments and hedged items 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 31 March 2024 are outline below:

**Non-designated**

**FX Forward Contracts (USD/RM) as non-designated hedging instrument**

Maturity	Notional Value '000		Fair Value RM'000	
	Short USD	Long USD	Financial Asset	Financial Liability
Less than 1 year	3,500	-	2.7	59.0

**Designated**

**FX Forward Contracts (USD/RM) as designated hedging instrument** | **Financial obligations & rights in foreign currency as hedge items**

Maturity	Notional Value '000		Fair Value RM'000		Maturity	Notional Value '000		Fair Value RM'000	
	Long USD	Short USD	Financial Asset	Financial Liability		Long USD	Short USD	Financial Asset	Financial Liability
Less than 1 year	13,647	-	592.9	16.7	Matching	-	13,647	16.7	592.9

Besides the above unrealized positions, the Group has recorded a total realized net gain of around RM3.3 million from its FX Forward Contracts as hedging instruments with corresponding realized net loss of around RM1.7 million from its 'foreign currency obligations & rights' 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.





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

**B11 Outstanding Derivatives (continued)**

(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 at the contracted rate 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 when natural-hedge cannot be established, 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 by its principal subsidiaries amounting to RM3.9 million as security for inbound supply of goods and services; and corporate guarantees issued to lenders for borrowings extended to its principal subsidiaries amounting to RM171.2 million as at 31 March 2024.

**B13 Material litigation**

The Cold Rolled Coil (CRC) subsidiary has on 29 November 2023 obtained leave from the Kuala Lumpur High Court to commence judicial review proceedings on decisions made by the Ministry of Investment, Trade & Industry (MITI) to remove anti-dumping duties on CRC imported from South Korea and Vietnam. At the same hearing, the High Court also granted a 'Stay of Proceedings' on the said MITI's ruling pending outcome of the judicial review which our CRC subsidiary has since initiated. The case-file hearing on the matter is fixed on 25 June 2024.

Besides the aforementioned, the Group is not engaged in any on-going 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 2024.



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

**B15 Earnings/(loss) per share**

(i) Basic earnings/(loss) per ordinary share

	Individual Qtr3 ended 31 Mar		Cumulative 9 months YTD ended 31 Mar	
	FY 2024	FY 2023	FY 2024	FY 2023
Profit/(loss) attributable to owners (RM'000)	7,443	(319)	8,798	(12,275)
Weighted average number of ordinary shares in issue ('000)	327,058	327,058	327,058	327,058
Basic earnings/(loss) per share (sen)	2.28	(0.10)	2.69	(3.75)

(ii) Diluted earnings per ordinary share

No diluted earnings per share is presented since the warrants had expired on 26 January 2024.

This interim condensed report has been authorized for issue by the Board of Directors on 30 May 2024.