



CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024

(The figures have not been audited)

	Individual Quarter Ended		3 Months Year-To-Date Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Revenue	198,387	162,778	198,387	162,778
Cost of sales	(187,417)	(152,366)	(187,417)	(152,366)
Gross profit	10,970	10,412	10,970	10,412
Operating expenses	(8,607)	(7,818)	(8,607)	(7,818)
Other operating (expense)/income, net	158	308	158	308
Net foreign exchange (loss)/gain	(2,895)	671	(2,895)	671
Operating (loss)/profit	(374)	3,573	(374)	3,573
Investment in quoted shares	(250)	(100)	(250)	(100)
Finance income	470	523	470	523
(Loss)/Profit before financing and income taxes	(154)	3,996	(154)	3,996
Finance costs	(2,411)	(1,937)	(2,411)	(1,937)
(Loss)/Profit before tax	(2,565)	2,059	(2,565)	2,059
Tax	293	(836)	293	(836)
(Loss)/Profit for the period	(2,272)	1,223	(2,272)	1,223
Other comprehensive income				
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-
Total (loss)/profit and other comprehensive income for the period	(2,272)	1,223	(2,272)	1,223
(Loss)/Earnings per share attributable to owners of the Company (sen):				
- Basic	(0.69)	0.37	(0.69)	0.37
- 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 2024).



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

(The figures have not been audited)

	As at 30-Sep-24 RM'000	As at 30-Jun-24 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	301,716	303,255
Right-of-use assets	42,346	43,583
Intangible assets	20,000	20,000
	<u>364,062</u>	<u>366,838</u>
Current Assets		
Inventories	226,534	265,895
Trade and other receivables	85,321	109,170
Financial assets at fair value through profit or loss	2,350	2,600
Amount owing by holding company	39	2,034
Amount owing by related companies	56	-
Tax recoverable	2,251	1,994
Derivative financial assets	451	125
Cash and bank balances	55,983	69,291
	<u>372,985</u>	<u>451,109</u>
Less: Current Liabilities		
Trade and other payables	44,671	106,182
Contract liabilities	272	339
Amount owing to holding company	9	3
Amount owing to related companies	263	781
Tax payable	162	448
Derivative financial liabilities	1,872	33
Borrowings	110,226	126,100
Lease liabilities	4,423	4,378
	<u>161,898</u>	<u>238,264</u>
Net Current Assets	<u>211,087</u>	<u>212,845</u>
Non-Current Liabilities		
Deferred tax liabilities	36,749	37,153
Deferred income	8,022	8,104
Borrowings	7,647	8,300
Lease liabilities	12,714	13,837
	<u>65,132</u>	<u>67,394</u>
	<u>510,017</u>	<u>512,289</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	219,417	219,417
Asset revaluation reserve	55,775	55,775
Retained earnings	234,825	237,097
Total Equity	<u>510,017</u>	<u>512,289</u>
Net assets per share attributable to owners of the Company	<u>RM1.56</u>	<u>RM1.57</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 2024).



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024

(The figures have not been audited)

	3 Months Year-To-Date Ended	
	30-Sep-24	30-Sep-23
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(2,565)	2,059
Adjustments for :		
- Depreciation	4,882	4,980
- Loss/(Gain) on disposal of plant and equipment	38	(190)
- Writeback of impairment on receivables	(3)	-
- Fair value loss/(gain) on financial assets at fair value through profit or loss	250	100
- Amortisation of deferred income	(87)	(38)
- Net unrealised loss/(gain) on foreign exchange	1,920	(102)
- Interest income	(470)	(523)
- Interest expense	2,411	1,937
Operating profit before changes in working capital	6,376	8,223
Changes in working capital :		
- Inventories	39,362	23,739
- Trade and other receivables	23,763	595
- Trade and other payables	(61,580)	(24,436)
- Contract liabilities	(67)	(6,103)
- Intercompanies balances	1,178	(21)
- Tax paid	(650)	(431)
Net cash flows generated from/(used in) operating activities	8,382	1,566
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(2,218)	(1,341)
- Proceeds from disposal of property, plant and equipment	74	391
- Interest received	470	523
Net cash flows (used in)/generated from investing activities	(1,674)	(427)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	101,420	53,440
- Repayment of bank borrowings	(117,947)	(54,459)
- Payment of lease liabilities	(1,078)	(1,035)
- Interest paid	(2,411)	(1,937)
Net cash flows (used in)/generated from financing activities	(20,016)	(3,991)
Net change in cash and cash equivalents	(13,308)	(2,852)
Cash and cash equivalents at beginning of the financial year	69,291	78,159
Cash and cash equivalents at end of the financial year	55,983	75,307

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024).

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 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
3 months ended 30 September 2024					
At 1 July 2024	219,417	-	55,775	237,097	512,289
Comprehensive income for the financial period					
- Loss for the financial period	-	-	-	(2,272)	(2,272)
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(2,272)	(2,272)
As at 30 September 2024	219,417	-	55,775	234,825	510,017
3 months ended 30 September 2023					
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	-	-	-	1,223	1,223
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	1,223	1,223
As at 30 September 2023	217,677	1,740	53,901	221,349	494,667

(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 2024).



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 2024 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 2024.

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 2024, except for the following new amendments to the MFRS (“standards”) effective for financial year beginning after 1 July 2024 which the Group has since adopted.

- 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

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

The Group also early adopted ‘MFRS 18, Presentation and Disclosure in Financial Statements’ (in replacement of ‘MFRS101, Presentation of Financial Statements’) with effect from 1 July 2024, which entails improved classifications and disclosures to the financial statements.



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 2025.

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

Effective for financial year beginning after 1 July 2026.

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

Effective for financial year beginning after 1 July 2027.

- MFRS 19, Subsidiaries without Public Accountability: Disclosures

Effective for financial year beginning on or after a date yet to be confirmed

- 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 2024 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.



Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A4 Unusual items

Over the current period, the Ringgit rose sharply against the USD (up 13%) and the SGD (up 7.4%). The Group's has foreign exchange (FX) exposure from its imports of raw materials in USD, and negatively correlated FX exposure from exports in USD and SGD. The Group adopts a combination of natural hedge, fair-value hedge, and unhedged strategies in dealing with its FX exposure. Resulting from the sharp Ringgit rise, the Group recorded a FX loss of RM2.9 million and a corresponding savings of RM2.8 million on lower settlement price of raw materials in Ringgit (which are duly reflected in inventory carrying value and Cost-of-Good-Sold) in the current period. See Note B11 for details.

Besides the above, 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

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.

	30 Sep 2024	30 Jun 2024
Total interest-bearing debts in RM'million	145.8	173.6
Adjusted Shareholders' Funds in RM'million	526.8	529.4
Absolute Gearing Ratio	0.28	0.33

On the total interest-bearing debts as at 30 September 2024, around RM107.5 million is tied to trade-financing drawn under the respective debenture at its steel-tube and cold-rolled subsidiaries, whilst RM27.9 million is tied to unsecured interest-bearing supplier's credit drawn by the said operating subsidiaries. (See Note B10). Debts of RM10.4 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.

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	138,230	65,736	1,691	205,657
Inter-segment elimination	(5,579)	-	(1,691)	(7,270)
External revenue	132,651	65,736	-	198,387
Pre-tax (loss)/profit	(1,419)	(1,272)	126	(2,565)
Segment assets	446,788	283,944	3,640	734,372
		RM'000		
Segment assets		734,372		
Derivative assets		451		
Tax recoverable		2,224		
		<u>737,047</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. The Group's year-to-date sales by geographic segments are as follows:

	Cold Rolled	Steel Tube	Total
	RM'000	RM'000	RM'000
<u>Year-to-Date Revenue by Geographic Areas</u>			
Malaysia	103,233	55,797	159,030
ASEAN	-	8,491	8,491
Non-ASEAN	29,418	1,448	30,866
Total External Revenue	132,651	65,736	198,387

*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 2024 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 30 September 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	2,350.0	-	-
Foreign Currency Forwards			
as Assets (hedge accounted)	-	451	-
as Liabilities (hedge accounted)	-	(1,872.2)	-
Total	2,350.0	(1,421.2)	-

This 'Investment in Quoted Shares' on investment made in a strategic customer since June 2022, 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 RM1.2 million and RM1.4 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 Qtr-1 ended 30 Sep				Cumulative 3 months YTD ended 30 Sep			
	FY 2025	FY 2024	Changes		FY 2025	FY 2024	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	198,387	162,778	35,609	21.9	198,387	162,778	35,609	21.9
Operating Profit/(Loss)	(374)	3,573	(3,947)	-110.5	(374)	3,573	(3,947)	-110.5
Profit/(Loss) Before Interest and Tax	(154)	3,996	(4,150)	-103.9	(154)	3,996	(4,150)	-103.9
Profit/(Loss) Before Tax	(2,565)	2,059	(4,624)	-224.6	(2,565)	2,059	(4,624)	-224.6
Profit/(Loss) After Tax	(2,272)	1,223	(3,495)	-285.8	(2,272)	1,223	(3,495)	-285.8
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,272)	1,223	(3,495)	-285.8	(2,272)	1,223	(3,495)	-285.8

For the 1st financial quarter ended 30 September 2024, the Group registered a 22% higher revenue at RM198.4 million (compared to the preceding year's corresponding quarter at RM162.8 million), mainly due to higher sales volume by the Cold Rolled (CRC) segment (up 64%) attributed to its export sales volume (which had yet to take-off in the comparative period). The Steel Tube segment's sales volume however is lower by 11% due to the softer domestic market compared to a year ago. Steel price also continued with its down trend into the current quarter as reflected in both segments' lower average unit selling prices (down 7% and 6% respectively from the comparative period).

Consequently, the Group's gross profit adjusted for outbound delivery costs is down nearly 40% for the Steel Tube segment; but, up 108% for the CRC segment partly due to better volumes and partly due to lower imported raw material input cost on goods-sold from its realized natural FX-hedges (see Notes A4 & B11) – which also resulted in an opposing net FX (realized and unrealized) loss on its' export sales for the current period. As result, the Group recorded an 'operating loss' of RM 0.4 million for the current period. The performance gap against the comparative period widens after financing activity with higher net-interest expense for the current period.

As such, the Group recorded a pre-tax loss of RM2.6 million for the current quarter compared to a post-tax profit of RM2.1 million in the comparative period and a post-tax loss of RM2.3 million against a post-tax profit of RM1.2 million in the comparative period.

The Group recorded a lower EBITDA of RM3.1 million in the current quarter compared to the preceding year's corresponding quarter's EBITDA of RM7.3 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

	Qtr1 FY2025	Qtr4 FY2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	198,387	237,849	(39,462)	-16.6
Operating Profit/(Loss)	(374)	14,339	(14,713)	-102.6
Profit/(Loss) Before Interest and Tax	(154)	14,326	(14,480)	-101.1
Profit/(Loss) Before Tax	(2,565)	11,634	(14,199)	-122.0
Profit/(Loss) After Tax	(2,272)	8,173	(10,445)	-127.8
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,272)	8,173	(10,445)	-127.8

The Group’s revenue for the current period at RM198.4 million is down around 17% compared to the immediate-preceding period at RM237.8 million. This is attributed to the lower sales volume by the Cold Rolled (CRC) segment (down 16%) as its export volume fell. The Steel Tube segment’s sales volume for the current period remains flat compared to the preceding period. The weak sales-volume is compounded by the continued downward price trend (which touched the lowest point over 4 years in September) – as buyers stayed sideways.

As a result, the Group’s margin was under tremendous pressure, and its gross profit adjusted for outbound delivery costs fell more than 50% despite relief from lower imported raw material input cost on goods-sold attributed to its realized natural FX-hedges in the current period. These natural FX-hedges also resulted in an opposing net-FX losses from its export sales (see Notes A4 & B11) which contributed to the Group’s operating loss of RM0.4 million in the current period (compared to an operating-profit of RM14.3 million in the preceding period that was boosted by a write-back on PPE of RM1.9million).

Consequently, the Group recorded a pre-tax loss of RM2.6 million for the current period compared to a pre-tax profit of RM11.6 million in the preceding period and a post-tax loss of RM2.3 million against a post-tax profit of RM8.2 million in the preceding period.

The Group recorded a lower EBITDA of RM3.1 million in the current quarter compared to the immediate-preceding quarter’s EBITDA of RM15.9 million.

B3 Prospects for the remaining financial year

The current 1st financial quarter is visibly one of the weakest we have seen in the last twelve months for the steel industry - weighted down by the longest running steel price downtrend since the Pandemic which touched a new low point in September; by the severe competition and pricing pressure from imports particularly from China; and by the cooling exports with thinning HRC-CRC price spreads along with the sharp rise in the Ringgit. The current period also coincides with the Nation’s 3rd fiscal quarter’s GDP growth of 5.3% driven by domestic consumption and external sectors. However, feedbacks from many business-associates, customers, and employees do not correlate with sentiments normally associated with such GDP growth performance.



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

B3 Prospects for the remaining financial year (continued)

Moving into the next financial quarter, we had hoped that China’s slew of announced stimuluses on 18 September would spur a recovery in its steel demand and prices. Regional steel prices did rise by more than 15% into October, but has retraced back again in November coinciding with Trump’s victory at the US election. Global markets have adjusted negatively and begun to priced-in the anticipated trade wars and market chaos the Trump administration would bring in 2025 and beyond. US rate cuts outlook also turned dim with anticipated wide-ranging inflationary policies including expanded import tariffs. It is very likely that China will face-up to more US tariffs, restrictions, & containment; and Malaysia (along with ASEAN) being its major trading-partner, will have to face the bearish-ramifications. At the domestic front, Malaysia presented its largest ever national budget 2025 which predominantly focused on the well-being of a narrow group, tech-sector transformation, and its own enlarged operating-expenditures (up 57% from post-pandemic 2023 budget). The 2025 Budget offers no benefit or concession for traditional businesses, but only higher operating huddles and costs with 13% higher minimum wage; compulsory EPF for foreign workers; expanded SST; RON95 rationalisation; dividend income tax; and carbon-tax (by 2026). The domestic steel industry is also expecting major shake-up with the start of local HRC production & offerings in early 2025, coupled with certain anti-dumping enactments due for renewal-review in 2025 and 2026.

With these headwinds from abroad and within, the prospect for the remaining financial year is expected to be tumultuous and difficult. Nevertheless, we remained focused in dealing with these challenges.

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 Qtr1 ended 30 Sep		Cumulative 3 months YTD ended 30 Sep	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Depreciation:				
- property, plant and equipment	3,644	3,863	3,644	3,863
- right-of-use assets	1,238	1,116	1,238	1,116
Finance income	(470)	(523)	(470)	(523)



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

B5 Profit/(loss) before taxation (continued)

	Individual Qtr1 ended 30 Sep		Cumulative 3 months YTD ended 30 Sep	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Finance costs on:				
- borrowings	2,229	1,712	2,229	1,712
- lease liabilities	182	225	182	225
FX differences (gain)/loss	(1,173)	(1,577)	(1,173)	(1,577)
FX derivatives loss/(gain)	4,068	906	4,068	906

B6 Taxation

Taxation comprises :

	Individual Qtr1 ended 30 Sep		Cumulative 3 months YTD ended 30 Sep	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Current tax (expense)/credit				
Current period	(107)	(868)	(107)	(868)
Deferred tax income/(expense)				
Current period	400	32	400	32
	293	(836)	293	(836)

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 30 September 2024, which are denominated entirely in Ringgit Malaysia, are as follows:

	<u>RM’000</u>
<u>Short-term borrowing</u>	
Secured	110,226
 <u>Long-term borrowings:</u>	
Secured	7,647
 Total borrowings	117,873 =====

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 2024	134,400
 <u>Cash Flows:</u>	
Inflows from new debts	101,420
Outflows on repayment	(117,947)
 Closing balance as at 30 September 2024	117,873 =====

The above bank borrowings comprised of trade-financing (short-term) and term-loans (long-term). None falls under the definition of ‘supplier financing arrangement’ warranting further disclosure under MFRS7. The Group’s bank-gearing ratio is around 0.22 times. Besides the aforementioned, the Group also draws on interest-bearing trade credits from its raw-coil suppliers with an outstanding amount of RM27.9 million. Inclusive of that, the Group’s absolute-gearing ratio as at 30 September 2024 is 0.28 times. The Group met all its banks’ covenants for the current financial year ended.

B11 FX Risks & Outstanding Derivatives

FX Risks

The Group has exposure to foreign currency exchange (FX) risk from payment-obligations in USD on raw material imports; and from receivable-rights in USD and SGD on export sales – with the former significantly larger than the latter.

Where possible, the Group seeks to optimize natural FX hedge for settlement between its foreign currency rights and obligations sitting in separate subsidiaries– as this would result in savings from double FX transaction cost, and derivative-instruments’ premium bid-ask spreads. Excess FX exposure from imports are then hedged with forward foreign currency exchange contracts (FX forwards)– 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 FX Risks & Outstanding Derivatives (continued)

For the current period, the Group recorded the following gains/(loss) from its natural-hedged, unhedged, and fair-value-hedged positions:

Natural Hedged

	Taken-up in	Gain/(Loss) RM'000		
		Unrealized	Realized	Total
Obligations: Purchases in USD	Inventory / COGS	1,021	1,731	2,752
Rights: Cash & Receivables in USD	FX	-593	-1,455	-2,048
Net Impact		428	276	704

Note:

- Rights and Obligations reside in different subsidiaries.
- Savings/(loss) from lower/(higher) purchase cost in RM due to FX movement between contract-date and settlement-date are reflected in carrying inventory value and/or COGS.

Unhedged

	Taken-up in	Gain/(Loss) RM'000		
		Unrealized	Realized	Total
Rights: Cash & Receivables in SGD	FX	-304	-502	-806

Note:

- FX exposure period (i.e. from transaction-date to settlement-date) for export-sales in SGD ranges between 3 to 4 months and are mostly left unhedged due to narrow volatility, and collection timing uncertainty.

Fair-Value-Hedged

	Taken-up in	Gain/(Loss) RM'000		
		Unrealized	Realized	Total
FX Forward Contracts (designated)	FX	-1,421	-2,647	-4,068
Obligations: Purchases in USD	FX	1,385	2,643	4,028
Net Impact		-36	-4	-40

Outstanding Derivatives

Details on the Group's outstanding derivative FX forward contracts designated for fair-value hedge accounting as at 30 September 2024 are outline below:

Designated					Financial obligations & rights in foreign currency as hedge items				
FX Forward Contracts (USD/RM) as designated hedging Instrument	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	9,991	500	451	1,872.2	Matching	500	9,991	1,872.2	451

- 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 minimize 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 RM117.1 million as at 30 September 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 has since been initiated. The Korean & Vietnam parties (not originally named as parties to the judicial proceedings) have since applied for 'intervention & redaction' on the matter. In the 'case management' hearing on 6 August 2024, the Court has fixed various dates for the Respondents, Interveners, and Applicants to file their affidavits & affidavits-in-reply, followed by written submissions & submissions-in-reply lasting until 18 April 2025. Culminating from that, the Court has fixed the Judicial Review Application to be heard on 8 May 2025.

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 30 September 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 Qtr1 ended 30 Sep		Cumulative 3 months YTD ended 30 Sep	
	FY 2024	FY 2023	FY 2024	FY 2023
Profit/(loss) attributable to owners (RM'000)	(2,272)	1,223	(2,272)	1,223
Weighted average number of ordinary shares in issue ('000)	327,058	327,058	327,058	327,058
Basic earnings/(loss) per share (sen)	(0.69)	0.37	(0.69)	0.37

(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 27 November 2024.