

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Jun-22 RM'000	Preceding Year Corresponding Quarter 30-Jun-21 RM'000	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000
<b>Continuing Operations</b>				
Revenue	519,598	324,481	974,658	740,430
Profit before depreciation	26,362	24,863	47,206	59,813
Depreciation	(5,571)	(5,883)	(11,186)	(11,936)
Operating profit	20,791	18,980	36,020	47,877
Interest expense	(82)	-	(476)	-
Interest income	1,005	1,179	1,988	2,440
Profit before tax	21,714	20,159	37,532	50,317
Tax expense	(4,645)	(4,725)	(8,411)	(13,057)
Profit after tax	17,069	15,434	29,121	37,260
Other comprehensive (loss)/income	(718)	1,052	(816)	1,283
Total comprehensive income	16,351	16,486	28,305	38,543
Profit after tax attributable to equity holders of the parent	17,069	15,434	29,121	37,260
Total comprehensive income attributable to equity holders of the parent	16,351	16,486	28,305	38,543
<b>Earnings per share from continuing operations attributable to equity holders of the parent:</b>				
Basic earnings/(loss) per share (sen)	4.62	4.18	7.89	10.09
Diluted earnings/(loss) per share (sen)	4.62	4.18	7.89	10.09

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2021.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**  
(The figures have not been audited)

	<b>As at End of Current Quarter 30-Jun-22 RM'000</b>	<b>As at Preceding Financial Year Ended 31-Dec-21 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	150,570	158,343
Investment	3,328	4,143
Prepaid operating lease	16,488	16,606
Staff loans receivables	329	395
	<u>170,715</u>	<u>179,487</u>
<b>Current assets</b>		
Inventories	427,403	401,328
Receivables	212,311	203,255
Cash and cash equivalents	222,729	233,523
Assets classified as held for sale	-	41,000
	<u>862,443</u>	<u>879,106</u>
<b>Total assets</b>	<u><u>1,033,158</u></u>	<u><u>1,058,593</u></u>
<b>Equity and Liabilities</b>		
<b>Capital and reserves</b>		
Share capital	413,163	413,163
Less: 10,700,000 treasury shares at cost	(11,614)	(11,614)
	401,549	401,549
Fair value adjustment reserve	1,915	2,731
Retained earnings	472,805	495,386
<b>Equity attributable to equity holders of the parent/Total equity</b>	<u>876,269</u>	<u>899,666</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	14,592	16,669
	<u>14,592</u>	<u>16,669</u>
<b>Current liabilities</b>		
Payables	115,061	69,324
Short term borrowings	22,000	71,300
Taxation	5,236	1,634
	<u>142,297</u>	<u>142,258</u>
<b>Total liabilities</b>	<u>156,889</u>	<u>158,927</u>
<b>Total equity and liabilities</b>	<u><u>1,033,158</u></u>	<u><u>1,058,593</u></u>
Net Assets per share (RM)	<u>2.37</u>	<u>2.44</u>

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2021.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**  
(The figures have not been audited)

	Cumulative Quarter	
	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	37,532	50,317
Adjustments for:		
Non-cash items	8,891	11,816
Non-operating items	(1,577)	(2,494)
Operating Profit Before Working Capital Changes	44,846	59,639
(Increase)/Decrease in working capital:		
Inventories	(26,076)	(88,061)
Trade and other receivables	(8,987)	14,124
Trade and other payables	(5,881)	(26,344)
Cash Generated from/(Used In) Operations	3,902	(40,642)
Tax paid	(6,974)	(3,391)
Interest paid	(476)	-
Net Cash used in Operating Activities	(3,548)	(44,033)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,533)	(2,509)
Interest received	1,988	2,440
Dividend received from investment	66	54
Proceeds from disposal of investment	43,500	126
Proceeds from disposal of property, plant and equipment	33	-
Net Cash From Investing Activities	42,054	111
<b>FINANCING ACTIVITIES</b>		
Net repayment of short-term borrowings	(49,300)	-
Net Cash Used In Financing Activities	(49,300)	-
Net decrease in cash and cash equivalents	(10,794)	(43,922)
Cash and cash equivalents at beginning of period	233,523	311,586
Cash and cash equivalents at end of period	222,729	267,664
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash & bank balances	71,078	39,599
Deposits in the licensed banks	23,511	62
Unit trust funds	128,139	228,003
	222,729	267,664

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2021.

CSC STEEL HOLDINGS BERHAD  
 Registration No.: 200401001854 (640357-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE SECOND QUARTER ENDED 30 JUNE 2022  
 (The figures have not been audited)

	Non-Distributable			Distributable	Total RM'000
	Share Capital RM'000	Treasury Shares RM'000	Fair Value Adjustment Reserve RM'000	Retained Earnings RM'000	
<b>Balance as at 1 January 2022</b>	413,163	(11,614)	2,731	495,386	899,666
Total comprehensive income/(loss)	-	-	(816)	29,121	28,305
Dividends	-	-	-	(51,702)	(51,702)
<b>Balance as at 30 June 2022</b>	<b>413,163</b>	<b>(11,614)</b>	<b>1,915</b>	<b>472,805</b>	<b>876,269</b>
<b>Balance as at 1 January 2021</b>	413,163	(11,614)	2,017	435,148	838,714
Total comprehensive income/(loss)	-	-	1,283	37,260	38,543
Dividends	-	-	-	(25,851)	(25,851)
Rounding difference	-	-	-	1	1
<b>Balance as at 30 June 2021</b>	<b>413,163</b>	<b>(11,614)</b>	<b>3,300</b>	<b>446,558</b>	<b>851,407</b>

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2021.

**Notes on the Quarterly Report – Six Months Ended 30 June 2022**

**PART A: EXPLANATORY NOTES AS PER MFRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements have been prepared on the basis of consolidating the results of the subsidiary companies during the six months period under review using the acquisition method of accounting. The interim financial statements are to be read in conjunction with the Company audited annual financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the 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.

**Adoption of amended MFRSs**

In the current financial year, the Group and the Company have adopted a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after January 1, 2021 as follows:

Amendments to MFRS 16	COVID-19 Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

The adoption of the above amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Group and of the Company upon its initial application.

**Standards and amendments in issue but not yet effective**

At the date of authorisation for issue of these financial statements, the new and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and by the Company are as listed below:

Amendments to MFRS 16	COVID-19 Related Rent Concessions beyond June 30, 2021 <sup>2</sup>
MFRS 17/Amendments to MFRS 17	Insurance contracts <sup>3</sup>
Amendments to MFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Amendments to MFRS 4	Extension of the Temporary Exemption from applying MFRS 9 <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to MFRS 17	Initial Application of MFRS 9 and MFRS 17 - Comparative Information <sup>3</sup>

## CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

### Notes on the Quarterly Report – Six Months Ended 30 June 2022

Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current <sup>3</sup>
Amendments to MFRS 101	Disclosures of Accounting Policies <sup>3</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>3</sup>
Amendments to MFRS 112	Deferred tax related Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use <sup>1</sup>
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract <sup>1</sup>
Annual Improvements to MFRS Standards 2018 - 2020 <sup>1</sup>	

1 Effective for annual periods beginning on or after January 1, 2022 with earlier application permitted.

2 Effective for annual periods beginning on or after April 1, 2021 with earlier application permitted.

3 Effective for annual periods beginning on or after January 1, 2023 with earlier application permitted.

4 Effective date deferred to a date to be determined and announced, with earlier application permitted.

#### **A2. Qualification of Annual Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the financial year ended 31 December 2021.

#### **A3. Seasonal and cyclical factors**

The Group's business operation results are not materially affected by any major seasonal or cyclical factors.

#### **A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There is no item of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows.

#### **A5. Material changes in estimates**

There are no material changes in estimates of amounts reported in the current quarter under review.

**Notes on the Quarterly Report – Six Months Ended 30 June 2022****A6. Issuances and repayment of debt and equity securities**

There is no issuance and repayment of debt and equity securities during the quarter under review.

**A7. Dividend Paid**

There is no dividend paid during the quarter under review.

**A8. Segment information**

Segmental information in respect of the Group's business segments is as follows: -

	<b>Steel coils RM'000</b>	<b>Others RM'000</b>	<b>Consolidation adjustment RM'000</b>	<b>Total RM'000</b>
Revenue from external customers	974,578	-	-	974,578
Inter-segment revenue	-	51,439	(51,359)	80
<b>Total revenue</b>	<u>974,578</u>	<u>51,439</u>	<u>(51,359)</u>	<u>974,658</u>
<b>Segment result</b>	<u>36,213</u>	<u>51,166</u>	<u>(51,359)</u>	<u>36,020</u>

\*Steel coils– cold rolled, galvanized & pre-painted galvanized steel coils

**A9. Valuation of property, plant and equipment**

Property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land which is stated at cost. There is no revaluation of property, plant, and equipment for the current quarter and fiscal year to date.

**A10. Material events subsequent to the end of the interim period**

There is no material event subsequent to the end of the quarter under review

**A11. Changes in the composition of the Group**

There are no changes in the composition of the Group during the quarter under review.

**CSC STEEL HOLDINGS BERHAD**

Registration No.: 200401001854 (640357-X)

**Notes on the Quarterly Report – Six Months Ended 30 June 2022**

**A12. Contingent liabilities**

On August 13, 2018, CSC Steel Sdn. Bhd., a wholly-owned subsidiary company of the Company, entered into a contract with a contractor for the project on gas insulation switchgear.

The Company received a variation order of RM496,335 on January 20, 2021 with regard to the following claims:

- i. Additional contract sum of RM411,423 due to the contract postponement; and
- ii. Additional contract sum of RM84,912 due to the fluctuation of currency of the contract sum.

The parties are in the midst of negotiating a settlement and the outcome is not concluded as of the reporting date. Hence, no provision has been made in the financial statements.

**A13. Capital commitments**

	<b>RM'000</b>
Approved and contracted for	6,888,051
Approved but not contracted for	10,888,413
	<u>17,776,464</u>



**CSC STEEL HOLDINGS BERHAD**

Registration No.: 200401001854 (640357-X)

**Notes on the Quarterly Report – Six Months Ended 30 June 2022****PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1. Review of performance****Year-on-year performance review**

For the quarter under review, the Group achieved a higher turnover and profit before tax of 60% and 8%, an increase of RM195mil and RM1.5mil respectively compared to the corresponding quarter last year mainly due to higher sales quantity and better selling price.

Revenue:	Q2 2022			Q2 2021			Variance			
	mt	RM'000	RM/mt	mt	RM'000	RM/mt	mt	%	RM'000	%
CRC	39,864	183,932	4,614	40,612	143,344	3,530	(748)	-2%	40,588	28%
GI	46,852	220,298	4,702	26,220	106,254	4,052	20,632	79%	114,044	107%
PPGI	16,560	104,971	6,339	13,054	68,934	5,281	3,506	27%	36,037	52%
Sub-Con	1,387	624	450	561	260	463	826	147%	364	140%
Trading	-	-	-	-	-	-	-	0%	-	0%
Scrap	5,619	9,766	1,738	4,016	5,682	1,415	1,603	40%	4,084	72%
Others	-	7	-	-	7	-	-	0%	-	0%
	<b>110,282</b>	<b>519,598</b>	<b>4,712</b>	<b>84,463</b>	<b>324,481</b>	<b>3,842</b>	<b>25,819</b>		<b>195,117</b>	

**Year-to-date performance review**

For the first half of the year ended 30 June 2022, the Group's total revenue increased by 32%, or RM234mil, due to the higher steel price, despite the sales tonnage in decreasing trends. The Group's profit before tax on the other hand has shown a decrease by 25% or RM13mil due to the increase in production costs such as materials, labor, and other variable overheads.

Revenue:	YTD 2022			YTD 2021			Variance			
	mt	RM'000	RM/mt	mt	RM'000	RM/mt	mt	%	RM'000	%
CRC	79,825	370,886	4,646	101,203	319,760	3,160	(21,378)	-21%	51,126	16%
GI	72,193	350,180	4,851	68,356	248,908	3,641	3,837	6%	101,272	41%
PPGI	35,950	232,722	6,473	31,765	155,900	4,908	4,185	13%	76,822	49%
Sub-Con	1,828	1,336	731	1,360	497	365	468	34%	839	169%
Trading	-	-	-	104	328	3,154	(104)	-100%	(328)	-100%
Scrap	10,445	19,454	1,863	10,609	14,970	1,411	(164)	-2%	4,484	30%
Others	-	80	-	-	67	-	-	0%	13	19%
	<b>200,241</b>	<b>974,658</b>	<b>4,867</b>	<b>213,397</b>	<b>740,430</b>	<b>3,470</b>	<b>(13,156)</b>		<b>234,228</b>	

**CSC STEEL HOLDINGS BERHAD**

Registration No.: 200401001854 (640357-X)

**Notes on the Quarterly Report – Six Months Ended 30 June 2022****B2. Variation of results against the preceding quarter**

The revenue has increase by 14% or RM64mil, as the demand for steel in current quarter has shown a better improvement and hence leading to the overall higher sales tonnage and higher revenue generated compared to previous quarter.

The Group's profit before tax has shown slight increased by RM5.8mil or 1% in current quarter due to better margin, increase in sales volume and gain on disposal of investment of the investment property.

Revenue:	Q2 2022			Q1 2022			Variance			
	mt	RM'000	RM/mt	mt	RM'000	RM/mt	mt	%	RM'000	%
CRC	39,864	183,932	4,614	39,961	186,954	4,678	(97)	0%	(3,022)	-2%
GI	46,852	220,298	4,702	25,341	129,882	5,125	21,511	85%	90,416	70%
PPGI	16,560	104,971	6,339	19,390	127,751	6,588	(2,830)	-15%	(22,780)	-18%
Sub-Con	1,387	624	450	441	712	1,615	946	215%	(88)	-12%
Trading	-	-	-	-	-	-	-	0%	-	0%
Scrap	5,619	9,766	1,738	4,826	9,688	2,007	793	16%	78	1%
Others	-	7	-	-	73	-	-	0%	(66)	-90%
	<u>110,282</u>	<u>519,598</u>	<u>4,712</u>	<u>89,959</u>	<u>455,060</u>	<u>5,059</u>	<u>20,323</u>		<u>64,538</u>	

CRC = cold rolled steel/pickled & oiled steel

GI = galvanized steel

PPGI = pre-painted galvanized steel

**B3. Current year prospects**

The surge in international energy prices and supply shortages have caused a global inflation spike, prompting central banks from all around the world to raise their key interest rates and tighten their monetary policies, dragging down global steel raw material prices and steel demand. Recurrent Covid-19 outbreaks have repeatedly disrupted China's economic recovery in addition to the growing housing crisis and weaker economic outlook.

In addition, the Southwest monsoon season in the third quarter will affect the progress of civil engineering works, dampen steel demand and increase the pressure on steel inventories. However, with the decrease in global steel demand, energy shortage and falling steel prices, steel mills around the world have begun measures to reduce production. The reduction in production will help to stabilize international steel prices.

In Malaysia, we foresee that the demand will remain sluggish in the third quarter due to domestic labor shortages, high inflation, postponement of projects, and the slow absorption of the previously high-priced steel stock. Furthermore, the influx of cheap steel imports and the imbalance of supply and demand keep causing the steel price to tumble.

The overall regional market sentiment is expected to improve after the inventories are consumed at the end of the quarter and likely to remain cautious due to market volatility. Barring any unforeseen circumstances, the Group is cautiously optimistic to achieve profitability for the year.

**CSC STEEL HOLDINGS BERHAD**

Registration No.: 200401001854 (640357-X)

**Notes on the Quarterly Report – Six Months Ended 30 June 2022****B4. Variance of actual and forecast profit**

Not applicable as the Group does not make any profit forecast for current financial year.

**B5. Tax expense**

	Current Quarter RM'000	Current YTD RM'000
<b>Current:</b>		
- Income Tax	6,870	10,489
- Deferred Tax	(1,068)	(929)
	<u>6,870</u>	<u>9,560</u>
<b>Prior Year:</b>		
- Income Tax	-	-
- Deferred Tax	(1,157)	(1,149)
	<u>(1,157)</u>	<u>(1,149)</u>
<b>Total</b>	<u>4,645</u>	<u>8,411</u>

**B6. Status of corporate proposal announced**

There is no corporate proposal announced during the quarter under review.

**B7. Details of treasury shares**

As at the end of the reporting quarter, the status of the share buy-back is as follows: -

	Current YTD	Accumulated Total
	Ordinary share of RM1.00 each	
<b>Description of shares purchased:</b>		
Number of shares purchased	NIL	11,300,000
Number of shares cancelled	NIL	NIL
Number of shares held as treasury shares	NIL	10,700,000
Number of treasury shares resold	NIL	600,000

**B8. Group borrowings**

	As at March 2022 RM'000
<b>Current</b>	
Bankers' acceptances	<u>22,000</u>
Total borrowings	<u><u>22,000</u></u>

All the Groups borrowings are denominated in Ringgit Malaysia.

**Notes on the Quarterly Report – Six Months Ended 30 June 2022****B9. Changes in material litigation**

Neither CHB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries.

**B10. Dividend recommended by Directors**

A final single tier dividend of 14 Sen per share for the financial year ended 2021 had been recommended by the Board of Directors in their previous board meeting which was announced on 21 February 2022 and was approved by the shareholders in the Annual General Meeting held on 26 May 2022. The 14 Sen dividend per share will be paid on 07 July 2022 to the shareholders whose names appear on the Record of Depositors of the Company at the close of business on 24 June 2022.

The dividends paid and payable for the financial year 2021 comply with the Group's dividend policy of distributing at least 50% of the Group's profit after tax.

**B11. Earnings per share**

The basic earnings per share and diluted earnings per share for the current quarter and cumulative year to date are computed as follows: -

	<b>Current Quarter RM'000</b>	<b>YTD RM'000</b>
Profit attributable to equity holder of the parent	17,069	29,121
Weighted average number of shares in issue	369,300	369,300
Basic earnings per share (sen)	<u>4.62</u>	<u>7.89</u>
Diluted earnings per share (sen)	<u>4.62</u>	<u>7.89</u>

**CSC STEEL HOLDINGS BERHAD***Registration No.: 200401001854 (640357-X)***Notes on the Quarterly Report – Six Months Ended 30 June 2022****B12. Notes to the Consolidated Statement of Comprehensive Income**

	<b>Current Quarter</b>	<b>YTD</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed assets written off	-	(238)
Foreign exchange gain	5,044	10,221
Gain on disposal of fixed assets	33	33
Gain on disposal of investment property	2,500	2,500
Interest income	1,005	1,988
Interest expense	(82)	(476)
Provision and write-off of inventories	4,927	10,372