

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30-Sep-24 RM'000	Preceding Year Corresponding Quarter 30-Sep-23 RM'000	Current Year To Date 30-Sep-24 RM'000	Preceding Year Corresponding Period 30-Sep-23 RM'000
Revenue	404,892	404,207	1,168,367	1,182,435
Profit before depreciation	11,825	14,475	36,709	59,480
Depreciation	(5,120)	(5,568)	(15,212)	(16,760)
Operating profit	6,705	8,907	21,497	42,720
Interest income	2,613	3,096	8,341	8,328
Profit before tax	9,318	12,003	29,838	51,048
Tax expense	(2,440)	(3,653)	(7,025)	(12,057)
Profit after tax	6,878	8,350	22,813	38,991
Other comprehensive (expense)/income	(33)	522	554	718
Total comprehensive income	6,845	8,872	23,367	39,709
Profit after tax attributable to equity holders of the parent	6,878	8,350	22,813	38,991
Total comprehensive income attributable to equity holders of the parent	6,845	8,872	23,367	39,709
Earnings per share attributable to equity holders of the parent:				
Basic earnings/per share (sen)	1.86	2.26	6.18	10.56
Diluted earnings/per share (sen)	1.86	2.26	6.18	10.56

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 2023.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024
(The figures have not been audited)

	As at End of Current Quarter 30-Sep-24 RM'000	As at Preceding Financial Year Ended 31-Dec-23 RM'000
Assets		
Non-current assets		
Property, plant and equipment	139,039	143,085
Investment	4,078	3,523
Prepaid operating lease	15,266	16,132
Staff loans receivables	409	417
	<u>158,792</u>	<u>163,157</u>
Current assets		
Inventories	308,100	331,202
Receivables	164,305	135,198
Cash and cash equivalents	329,991	348,779
	<u>802,396</u>	<u>815,179</u>
Total assets	<u><u>961,188</u></u>	<u><u>978,336</u></u>
Equity and Liabilities		
Capital and reserves		
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	2,665	2,111
Retained earnings	484,791	496,692
Equity attributable to equity holders of the parent/Total equity	<u>889,005</u>	<u>900,352</u>
Non-current liability		
Deferred tax liabilities	14,684	15,008
	<u>14,684</u>	<u>15,008</u>
Current liabilities		
Payables	57,497	60,720
Taxation	2	2,256
	<u>57,499</u>	<u>62,976</u>
Total liabilities	<u>72,183</u>	<u>77,984</u>
Total equity and liabilities	<u><u>961,188</u></u>	<u><u>978,336</u></u>
Net Assets per share (RM)	<u>2.41</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 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024
(The figures have not been audited)

	Cumulative Quarter	
	Current Year To Date 30-Sep-24 RM'000	Preceding Year Corresponding Period 30-Sep-23 RM'000
OPERATING ACTIVITIES		
Profit before tax	29,838	51,048
Adjustments for:		
Non-cash items	16,685	16,836
Non-operating items	(8,407)	(8,394)
Operating Profit Before Working Capital Changes	38,116	59,490
(Increase)/Decrease in working capital:		
Inventories	23,101	27,487
Trade and other receivables	(27,336)	(10,335)
Trade and other payables	(3,223)	14,166
Cash Generated From Operations	30,658	90,808
Tax paid	(11,368)	(3,833)
Net Cash From Operating Activities	19,290	86,975
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,778)	(9,914)
Proceeds from disposal of property, plant and equipment	6	21
Interest received	8,342	8,328
Dividend received from investment	66	66
Net Cash Used In Investing Activities	(3,364)	(1,499)
FINANCING ACTIVITY		
Dividend paid	(34,714)	(11,079)
Net Cash Used In Financing Activity	(34,714)	(11,079)
Net (decrease) / increase in cash and cash equivalents	(18,788)	74,397
Cash and cash equivalents at beginning of period	348,779	275,399
Cash and cash equivalents at end of period	329,991	349,796
Cash and cash equivalents at end of period comprise:		
Cash & bank balances	48,653	50,122
Deposits in the licensed banks	40,657	10,541
Unit trust funds	240,681	289,133
	329,991	349,796

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 2023.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**
(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	
Balance as at 1 January 2024	413,163	(11,614)	2,111	496,692	900,352
Total comprehensive income	-	-	554	22,813	23,367
Dividends	-	-	-	(34,714)	(34,714)
Balance as at 30 September 2024	413,163	(11,614)	2,665	484,791	889,005
Balance as at 1 January 2023	413,163	(11,614)	1,654	458,294	861,497
Total comprehensive income	-	-	457	49,477	49,934
Dividends	-	-	-	(11,079)	(11,079)
Balance as at 31 December 2023	413,163	(11,614)	2,111	496,692	900,352

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 2023.

Notes on the Quarterly Report – Nine Months Ended 30 September 2024

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 nine months period under review using the acquisition method of accounting. The interim financial statements are to be read in conjunction with the Company's audited annual financial statements for the financial year ended 31 December 2023. 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, 2024 as follows:

Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities in Covenants

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 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to MFRS 121	Lack of Exchangeability ¹

1 Effective for annual periods beginning on or after January 1, 2025 with earlier application permitted.

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

Notes on the Quarterly Report – Nine Months Ended 30 September 2024

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 2023.

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.

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.

CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

Notes on the Quarterly Report – Nine Months Ended 30 September 2024**A8. Segment information**

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

	Steel coils	Others	Consolidation	Total year to
	RM'000	RM'000	adjustment	date
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	1,168,294	-	-	1,168,294
Inter-segment revenue	-	34,761	(34,688)	73
Total revenue	<u>1,168,294</u>	<u>34,761</u>	<u>(34,688)</u>	<u>1,168,367</u>
Segment result	<u>21,844</u>	<u>34,341</u>	<u>(34,688)</u>	<u>21,497</u>

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.

A12. Contingent liabilities

There is no contingent liability incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

A13. Capital commitments

	RM'000
Approved and contracted for	10,391
Approved but not contracted for	<u>32,721</u>
	<u>43,111</u>

CSC STEEL HOLDINGS BERHAD

Registration No.: 200401001854 (640357-X)

Notes on the Quarterly Report – Nine Months Ended 30 September 2024**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1. Performance review**

	3 MONTHS ENDED				PERIOD-TO-DATE			
	30.09.2024	30.09.2023	Variance	%	30.09.2024	30.09.2023	Variance	%
	RM'000				RM'000			
Revenue	404,892	404,207	685	0.2%	1,168,367	1,182,435	(14,068)	(1%)
Operating profit	6,705	8,907	(2,202)	(25%)	21,497	42,720	(21,223)	(50%)
Profit before tax	9,318	12,003	(2,685)	(22%)	29,838	51,048	(21,210)	(42%)
Profit after tax	6,878	8,350	(1,472)	(18%)	22,813	38,991	(16,178)	(41%)

The Group reported revenue of RM404.89 million for the current quarter, bringing the year to date total to RM1.168 billion. This represents a slight increase of 0.2% for the quarter, although there was a marginal decrease of 1% compared to the last financial period.

The decline in revenue is primarily attributed to weaker steel prices, which have been affected by increased competition from lower-priced imports following the expiration of anti-dumping duties. However, the Group achieved an increase in sales volume of 7% compared to the corresponding quarter last year and a 3% increase compared to the previous financial period.

As a result of the weakening steel prices, the Group's profit after tax decreased by 18%, or RM1.47 million, compared to the corresponding quarter last year, and by 41%, or RM16.18 million, compared to the previous financial period.

B2. Variance of results for the current quarter ended 30 September 2024 against the immediately preceding quarter

	3 MONTHS ENDED			
	30.09.2024	30.6.2024	Variance	%
	RM'000			
Revenue	404,892	366,047	38,845	11%
Operating profit	6,705	6,313	392	6%
Profit before tax	9,318	9,196	122	1%
Profit after tax	6,878	7,201	(323)	(4%)

The Group's revenue for the current quarter increased by 11%, or RM38.8 million, compared to the previous quarter. Despite a decline in steel prices, the Group achieved a significant sales volume growth of 18% relative to the prior quarter. This increase in sales volume helped mitigate the impact of lower steel prices, resulting in a profit after tax of RM6.88 million, which represents a slight decrease of RM323,000 compared to the previous quarter.

Notes on the Quarterly Report – Nine Months Ended 30 September 2024**B3. Current year prospects**

In the third quarter of 2024, China's steel industry faced significant challenges due to declining demand, falling prices, and pressures from the real estate sector. The expiration of trade remedy measures in the domestic market has intensified competition from imports and exposed local producers to unfair trade practices, creating substantial obstacles. These challenges include overcapacity, lower utilization rates, and heightened competitive pressures. In response, CSC Malaysia has implemented proactive strategies to enhance its competitiveness in terms of pricing, quality, and decarbonization efforts to safeguard its market share within the domestic steel sector.

Looking ahead to the fourth quarter of 2024, expected interest rate cuts in the United States, along with easing monetary policies in China, including interest rate reductions and reserve requirement ratio cuts, are expected to significantly boost steel demand and potentially raise steel prices. As the traditional peak season approaches, market conditions are forecast to improve, with rising steel demand driven by economic strategies from both nations. In Malaysia, domestic steel demand is expected to stabilize, buoyed by a recovering construction sector and the potential launch of new infrastructure projects. However, ongoing issues such as unfair trade practices involving imports continue to be a concern, prompting calls for government intervention to assist local steel mills in moving up the value chain and enhancing their competitiveness.

B4. Variance of actual and forecast profit

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

B5. Tax expense

	Current Quarter RM'000	Current YTD RM'000
Current:		
- Income Tax	980	7,349
- Deferred Tax	1,460	(324)
Total	<u>2,440</u>	<u>7,025</u>

B6. Status of corporate proposal announced

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

Notes on the Quarterly Report – Nine Months Ended 30 September 2024

B7. Details of treasury shares

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

Description of shares purchased:	Current YTD	Accumulated Total
	Ordinary share of RM1.00 each	
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

There are no borrowings as at the end of the reporting quarter.

B9. Changes in material litigation

Neither the Group 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

There is no dividend recommended by directors during the quarter under review.

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:

	Current Quarter	YTD
Profit attributable to equity holder of the parent (RM'000)	6,878	22,813
Weighted average number of shares in issue ('000)	369,300	369,300
Basic earnings per share (sen)	1.86	6.18
Diluted earnings per share (sen)	1.86	6.18

CSC STEEL HOLDINGS BERHAD*Registration No.: 200401001854 (640357-X)***Notes on the Quarterly Report – Nine Months Ended 30 September 2024****B12. Notes to the Consolidated Statement of Comprehensive Income**

	Current Quarter RM'000	YTD RM'000
Interest Income	2,613	8,341
Reversal for inventories written down	4,784	4,719
Realised loss of foreign exchange	(877)	(808)
Unrealised gain of foreign exchange	8,057	16,321
(Loss)/Gain on disposal of property, plant and equipment	<u>(1)</u>	<u>5</u>

By order of the Board
Mr. Chiu, Ping-Tung
Group Managing Director
22 November 2024