



**EXPLANTORY NOTES : (AS PER MASB 26 – PARAGRAPH 16)**

**A1 Accounting policies**

The interim financial statements have been prepared in accordance with MASB 26 “Interim Financial Reporting” and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The accounting policies and methods used in preparing the quarterly financial statement are consistent with the audited financial statements for the financial year ended 31st January 2004.

**A2 Declaration of audit qualification**

The audit report of the Company in respect of the annual financial statements for the year ended 31st January 2004 was not subject to any audit qualification.

**A3 Seasonality or cyclicity of operation**

The business of the Group is generally non-cyclical nor seasonal except for decreased activities during the festive season.

**A4 Unusual items**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A5 Changes in estimates**

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

**A6 Issuances and repayments of debts and equity securities**

There were no changes in the equity structure of the company during this period.

There were no issuances and repayments of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

**A7 Dividend**

No dividend has been declared for the period.

**A8 Segmental reporting**

Segmental analysis for the current financial year to-date

	Revenue	Profit After Taxation
Manufacturing	108,613,147	2,551,881
Trading	112,971,721	1,408,328
Others	1,524,078	278,014
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	223,108,946	4,238,223
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**A9 Valuation of property, plant and equipment**

The valuation of property, plant and equipment have been brought forward, without amendment from the audited financial statements for the financial year ended 31st January 2004.

**A10 Subsequent material events**

In the best knowledge of the Directors, there is no transaction or event of a material or unusual nature occurring between 31st January 2004 and the date of this announcement.

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

There were no changes in the composition of the Group for the current financial year to date.

**A12 Contingent liabilities or contingent assets**

There were no contingent liabilities and contingent assets as at end of the reporting quarter other than as stated below:

Guarantee for loan facilities given to other investee company	USD 266,833
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**EXPLANATORY NOTES : (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)**

**B1 Review of the performance of the Company and its principal subsidiaries**

The group recorded revenue of RM223.1 million and profit before tax of RM5.0 million as compared to a revenue of RM205.8 million and a profit before tax of RM6.9 million in the preceding year corresponding period. The increase in turnover by 8% reflects the continued increase in the prices of steel products.

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

The current financial quarter showed the Group recording revenue of RM71.7 million and profit before tax of RM0.7 million in comparison with a revenue of RM61.5 million and profit before tax of RM1.8 million recorded in the immediate preceding quarter. An increase of 17% in the turnover is due to an upward trend in the selling price.

**B3 Prospects of the current financial year**

In light of the increase in raw material pricing, the Group expects an impact in the replacement cost which will in turn affect its working capital. The group is expected to maintain its performance barring any unforeseen circumstances.

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

This is not applicable to the Group.



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

**B5 Taxation**

Taxation comprises :-

	Current Year Quarter 31/10/2004 RM'000	Cumulative Quarters	
		Current Year To Date 31/10/2004 RM'000	Preceding Year Corresponding Period 31/10/2003 RM'000
Current tax expense			
Current year	149	302	311
Underestimated in prior year	-	-	-
	149	302	311
Deferred tax (income) / expense	-	-	-
	149	302	311

The disproportionate tax charge in relation to the results of the Group for the financial periods under review is mainly due to tax savings arising from the utilization of unabsorbed tax losses in certain subsidiaries of the group.

**B6 Profit on sale of unquoted investments and / or properties**

There was no sale of unquoted investments and properties respectively for the current financial year to date.

**B7 Purchase or disposal of quoted securities**

There was no purchase or disposal of quoted securities for the current financial year to date.

**B8 Status of corporate proposals**

There were no other corporate proposals at the date of issue of the quarterly report.



**B9 Group borrowings and debt securities**

There were no bank borrowings (other than as detailed below) and debt securities as at the end of the reporting period.

	Short Term RM '000	Long Term RM '000
Secured		
Bank overdraft	9,019	
Bankers' acceptances	2,104	
Term loan	3,534	14,673
Unsecured		
Bank overdraft	10,328	
Bankers' acceptances	54,832	
Revolving credit	12,250	
Hire Purchase Loan	1,190	1,853
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	93,257	16,526
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**B10 Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this announcement.

**B11 Material litigation**

There is no material litigation pending as at the date of this announcement.

**B12 Dividend**

The Board of Directors of the Company has not recommended any final dividend in the financial year to date.

**B13 Earnings per share**

(i) Basic earnings per ordinary share

The earnings per share is calculated by dividing the net profit attributable to shareholders of RM4,238,223 by the weighted average number of ordinary shares in issue during the current quarter of 64,644,965.

(ii) Diluted earnings per ordinary share

Not applicable to the Group.