



**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the third financial quarter ended 31 March 2017**

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>(3 months)</u>		<u>(9 months)</u>	
	Current year	Preceding year	Current year	Preceding year
	Corresponding	Corresponding	To date	Corresponding
	Quarter	Quarter	Period	Period
	31-Mac-17	31-Mac-16	31-Mac-17	31-Mac-16
	RM'000	RM'000	RM'000	RM'000
Revenue	192,139	142,494	540,331	418,480
Cost of sales	(170,788)	(124,978)	(474,018)	(370,700)
Gross profit	21,351	17,516	66,313	47,780
Operating expenses	(7,642)	(6,530)	(21,501)	(18,315)
Other operating income/(expense)	90	43	130	125
Net foreign exchange (loss)/gain	(398)	45	(612)	(823)
Profit from operations	13,401	11,074	44,330	28,767
Finance income	232	94	554	312
Finance costs	(2,837)	(2,734)	(7,949)	(9,032)
<b>Profit before tax</b>	10,796	8,434	36,935	20,047
Tax	(3,433)	(1,759)	(9,963)	(5,205)
<b>Profit for the period</b>	7,363	6,675	26,972	14,842
Other comprehensive income				
Asset revaluation reserves:				
- revaluation surplus on				
property, plant and equipment, net of tax	-	-	-	-
<b>Total profit and other comprehensive income for the period</b>	<b>7,363</b>	<b>6,675</b>	<b>26,972</b>	<b>14,842</b>
Earnings per share attributable to owners of the Company (sen):				
- Basic	2.60	2.36	9.52	5.25
- 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 2016).

**Condensed Consolidated Statements of Financial Position as at 31 March 2017**

(The figures have not been audited)

	As at 31-Mar-17 RM'000	As at 30-Jun-16 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	295,370	304,739
Intangible Assets	20,000	20,000
	<u>315,370</u>	<u>324,739</u>
<b>Current Assets</b>		
Inventories	181,944	96,740
Trade and other receivables	120,287	100,861
Amount owing by holding company	167	6,992
Amount owing by related companies	5,106	5,796
Tax recoverable	221	226
Derivative financial assets	482	705
Cash and bank balances	55,495	27,630
	<u>363,702</u>	<u>238,950</u>
<b>Less: Current Liabilities</b>		
Borrowings	97,953	84,339
Trade and other payables	184,199	116,118
Amount owing to holding company	4,007	0
Amount owing to related companies	780	535
Tax payable	3,405	888
Derivative financial liabilities	481	3,264
	<u>290,825</u>	<u>205,144</u>
<b>Net Current Assets</b>	<u>72,877</u>	<u>33,806</u>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	19,387	15,865
Borrowings	5,591	7,241
	<u>24,978</u>	<u>23,106</u>
	<u>363,269</u>	<u>335,439</u>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	206,294	70,886
Non-distributable reserve	0	134,863
Treasury shares	(55)	(368)
Asset revaluation reserve	22,545	22,545
Retained earnings	134,485	107,513
<b>Total Equity</b>	<u>363,269</u>	<u>335,439</u>
<b>Net assets per share attributable to owners of the Company</b>	<u>RM1.28</u>	<u>RM1.19</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 2016).



**Condensed Consolidated Statements of Cash Flows for the third financial quarter ended 31 March 2017**

(The figures have not been audited)

	(9 months) 31-Mac-17 RM'000	(9 months) 31-Mac-16 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	36,935	20,047
Adjustments for :		
- Depreciation	11,349	11,984
- Loss/(gain) on disposal of plant and equipment	49	(20)
- Plant and equipment written off	17	1
- Net unrealised (gain)/loss on foreign exchange	(360)	(7,908)
- Fair value (gain)/loss on derivatives	(1)	7,338
- Interest income	(554)	(311)
- Interest expense	7,949	9,032
Operating profit before changes in working capital	55,384	40,163
Changes in working capital :		
- Inventories	(93,043)	22,151
- Trade and other receivables	(15,315)	(2,806)
- Trade and other payables	69,610	(4,183)
- Intercompanies balances	11,767	(4,751)
Cash flows generated from operations	28,403	50,574
- Interest paid	(7,949)	(9,032)
- Interest received	554	311
- Tax paid	(3,919)	(627)
Net cash flows generated from operating activities	17,089	41,226
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Purchase of property, plant and equipment	(2,199)	(2,422)
- Proceeds from disposal of property, plant and equipment	153	215
Net cash flows (used in)/generated from investing activities	(2,046)	(2,207)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Disposal of treasury shares	858	-
- Proceeds from bank borrowings	190,000	270,399
- Repayment of bank borrowings	(178,036)	(324,461)
Net cash flows generated from/(used in) financing activities	12,822	(54,062)
Net change in cash and cash equivalents	27,865	(15,043)
Cash and cash equivalents at beginning of the financial year	27,630	39,841
Cash and cash equivalents at end of the financial year	55,495	24,798

**(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016).**

**Condensed Consolidated Statements of Changes in Equity for the third financial quarter ended 31 March 2017**

(The figures have not been audited)

	----- Attributable to owners of the Company -----							Total RM'000
	Share Capital		Non-Distributable Reserve		Asset		Retained Earnings RM'000	
	Share Capital RM'000	Share Premium RM'000	Capital Reserve N1 RM'000	Paid-in Capital N2 RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000		
<b>9 months ended 31 March 2017</b>								
At 1 July 2016	70,886	19,100	115,754	9	(368)	22,545	107,513	335,439
Comprehensive income for the financial period								
- Profit for the financial period	-	-	-	-	-	-	26,972	26,972
Other comprehensive income for the financial period								
Asset revaluation reserves:								
- revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	26,972	26,972
Disposal of treasury shares	-	-	-	545	313	-	-	858
Transition to no-par value regime on 31 January 2017 ^	135,408	(19,100)	(115,754)	(554)	-	-	-	-
As at 31 March 2017	206,294	-	-	-	(55)	22,545	134,485	363,269
<b>9 months ended 31 March 2016</b>								
At 1 July 2015	70,886	19,100	115,754	-	(383)	17,171	83,335	305,863
Comprehensive income for the financial period								
- Profit for the financial period	-	-	-	-	-	-	14,842	14,842
Other comprehensive income for the financial period								
Asset revaluation reserves:								
- revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	14,842	14,842
As at 31 March 2016	70,886	19,100	115,754	-	(383)	17,171	98,177	320,705

^ The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and similar non-distributable reserves (ie. Paid-in Capital and the Other Non-Distributable Capital Reserve) become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of those accounts totalling RM135,408,350 for purposes as set out in Sections 618 (3) where permitted. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

N1 This arose from the par value reduction exercise from RM1.00 to RM0.25 in Financial Year 2015

N2 This being the gain from disposal of treasury shares

(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 2016).



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1 Basis of Preparation & Significant Accounting Policies

This Quarterly 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 2016 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 financial year ended 30 June 2016.

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 2016, except for the following new amendments to the MFRS (standards) effective from 1 January 2016 which the Group shall apply where applicable commencing from the 1st quarter of the current financial year:

- Amendments to MFRS 11 - Joint arrangements which requires an investor to apply the principles of MFRS 3 - Business Combination when it acquires an interest in a joint operation that constitutes a business
- Amendments to MFRS 116 - Property, plant and equipment and MFRS 138 - Intangible assets which clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment, or to calculate the consumption of the economic benefits embodied in an intangible asset unless demonstrated to be highly correlated is not appropriate.

The application of the above did not have any financial impact on this quarterly report.

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.

- Amendments to MFRS 107 - Statement of Cash Flows & Disclosure Initiative (effective from 1 January 2017)
- Amendments to MFRS 112 - Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses (effective from 1 January 2017)
- MFRS 9 - Financial Instruments (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.
- MFRS 15 - Revenue from contracts with customers (effective from 1 January 2018) replaces MFRS 118 - Revenue and MFRS 111 - Construction contracts and related interpretations.
- MFRS 16 - Leases (effective from 1 January 2019) supersedes MFRS 117 - Leases and the related interpretations.

The Group is of the opinion that the abovementioned new standards, amendments to standards and interpretations are unlikely to have any material financial impact to the Group upon their initial application when effective.



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

**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 2016 was not subject 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.

**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.

**A5 Changes in estimates**

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

**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.

	31 Mac 2017	30 Jun 2016
Total interest bearing debts in RM million	271.0	191.1
Adjusted Shareholders' funds in RM million	343.3	315.4
Gearing Ratio	0.79	0.61

Of the total interest bearing debts as at 31 March 2017, around RM103.5m is represented by the respective debenture at its two main operating subsidiaries, whilst the balance is represented by interest-bearing unsecured supplier's credit also at the respective operating subsidiaries. (See Note B10). The higher absolute gearing for the current quarter ended is attributed to higher trade credits drawn to finance higher inventory carrying value of RM181.9m (as compared to RM96.7m as at 30 June 2016) due to higher average inventory cost per tonne by about 19% and higher volume by around 58%. Debt covenants where applicable are in full compliance for the current financial quarter ended 31 March 2017.

**A7 Dividend paid**

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



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

**A8 Segmental reporting**

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

	<u>Cold Rolled</u> RMø000	<u>Steel Tube</u> RMø000	<u>Others</u> RMø000	<u>Total</u> RMø000
<b>Revenue</b>				
Total revenue	360,083	197,014	6,544	563,641
Inter segment	(21,452)	-	(1,858)	(23,310)
External revenue	338,631	197,014	4,686	540,331
Pre-tax profit	12,806	23,938	191	36,935
Segment assets	481,827	195,738	804	678,369
	RMø000			
Segment assets	678,369			
Derivative assets	482			
Tax recoverable	221			
	<u>679,072</u>			

The businesses of the Group are carried out entirely in Malaysia.

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

The valuation of property, plant and equipment has been brought forward from the audited financial statements for the financial year ended 30 June 2016 and adjusted for the current financial year's depreciation 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 by valuation methods, 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 methods are categorised into the following fair value hierarchy and are represented in the table below as at 31 March 2017:

- 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



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

**A10 Fair Value Measurement** (continued)

<u>Recurring fair value measurement</u>	Fair Value RMø000		
	Level 1	Level 2	Level 3
Foreign Currency Forwards			
as Assets (not hedge accounted)	0	182.4	0
as Assets (hedge accounted)	0	299.1	0
as Liabilities (not hedge accounted)	0	(18.5)	0
as Liabilities (hedge accounted)	0	(462.0)	0
Total	0	1.0	0

The Foreign Currency Forwards are fair valued by way of marking-to-market using reference bankø published forward rates.

**A11 Significant events and transactions**

There were no significant events or transactions for the current quarter affecting the Groupø financial position and performance of its entities.

**A12 Subsequent material events**

There were no material events occurring between 1 April 2017 and the date of this announcement that warrant adjustments or disclosure to the financial statements for the quarter ended 31 March 2017.

**A13 Changes in the composition of the Group**

There is no change to the composition of the Group during the current financial quarter.

**A14 Contingent liabilities or contingent assets**

There are no contingent liabilities or contingent assets as at the end of the reporting quarter.

**A15 Changes in Financial Year End Date**

There is no change to the financial year end date during the current financial quarter.

**A16 Capital Commitments**

At the end of the current reporting quarter, the Groupø Cold Rolled subsidiary has an outstanding capital commitment of around USD1.0m (RM 4.4m) for the supply and installation of new motor-drives for its ørolling millø The said capital commitment will be payable over six milestones running into calendar year 2018, and will be debt-financed up to 90% of the said commitment sum.





**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**

For the 3<sup>rd</sup> quarter ended 31 March 2017, the Group registered a total revenue of RM192.1 million as compared to RM142.5 million achieved in the preceding year's corresponding quarter - mainly due to higher unit selling price and sales volume for the current quarter. In comparison with the preceding year's corresponding quarter, the average unit selling price for the Cold Rolled subsidiary for the current quarter is up 31%, whilst the Steel Tube subsidiary's average unit selling price is up 16% and sales volume is up 17%.

The Group recorded a profit before tax of RM10.8 million for the current quarter as compared to RM8.4 million in the preceding year's corresponding quarter. The better performance for the current quarter compared to the preceding year's corresponding quarter is mainly attributed to the higher gross profit achieved of RM21.4 million (preceding year's corresponding quarter gross profit: RM17.5 million) due to better price spread between selling price and raw material coil cost achieved by the Steel Tube segment, and high sales volume achieved by both steel segments. Consequently, the Group recorded an after-tax profit of RM7.4 million for the current quarter as compared to the preceding year's corresponding quarter of RM6.7 million.

The Group recorded a higher EBITDA at RM17.2 million compared to the preceding year's corresponding quarter of RM15.1 million.

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

The Group's revenue at RM192.1 million for the current 3<sup>rd</sup> quarter is around 6% higher than the immediate preceding quarter's RM180.7 million. The higher revenue for the current quarter is mainly attributed to the higher unit selling price in both the Cold Rolled and Steel Tube segments by 17% and 9% respectively.

The Group however registered a lower pre-tax profit of RM10.8 million compared with the immediate preceding quarter's pre-tax profit of RM12.6 million mainly due to the lower sales volume (down by around 17%) achieved by its Steel Tube segment attributed to the Chinese New Year holidays saddling the current quarter. Correspondingly, the Group recorded a lower net-tax profit of RM7.4 million compared to a net-tax profit of RM9.5 million in the immediate preceding quarter.

The Group recorded a lower quarterly EBITDA at RM17.2 million compared to the preceding quarter's RM18.9 million.

**B3 Prospects for the remaining financial year**

The Country's economic outlook for the remaining three months of the current financial year would likely continue to be subdued as cost-push inflation takes its toll on domestic consumer confidence and business margin.

Specific to the Steel industry, competition would likely remain stiff in a soft market environment as the sharp run-up in iron ore and coking coal prices since December 2016 have begun to drop-off sharply towards the end of the current reporting quarter. The extent and magnitude of these declines for the remaining period will determine the level of disruption to the market and the consequential impact on the Group's steel margins. Whilst the Group's cold rolled coil and steel tube operations would likely see sustained business momentum for the remaining financial year, it has to contend with anticipated slower sales in the 4<sup>th</sup> quarter in-conjunction with the coming Ramadan and Hari-Raya period.

In that regard, the Group's outlook for the rest of the financial year remains cautious but positive.



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

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

This is not applicable to the Group.

**B5 Profit before taxation**

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

	Current Year Quarter Ended 31 Mac 2017 RMø000	Preceding Year Corresponding Quarter Ended 31 Mac 2016 RMø000	Current Year To Date Ended 31 Mac 2017 RMø000	Preceding Year Corresponding Period Ended 31 Mac 2016 RMø000
Depreciation	3,808	4,005	11,349	11,984
Interest income	(232)	(93)	(554)	(311)
Interest expense	2,837	2,734	7,949	9,032
FX differences (gain)/loss	(4,699)	(10,058)	8,015	(1,885)
FX derivatives loss/(gain)	5,097	10,013	(7,403)	2,708

**B6 Taxation**

Taxation comprises :

	Current Year Quarter Ended 31 Mac 2017 RMø000	Preceding Year Corresponding Quarter Ended 31 Mac 2016 RMø000	Current Year To Date Ended 31 Mac 2017 RMø000	Preceding Year Corresponding Period Ended 31 Mac 2016 RMø000
Current tax (expense)/credit				
Current period	(2,172)	(429)	(6,441)	(1,527)
Deferred tax (expense)/income				
Current period	(1,261)	(1,330)	(3,522)	(3,678)
	(3,433)	(1,759)	(9,963)	(5,205)

**PART B - EXPLANATORY NOTES: (AS PER BURSA MALAYSIA LISTING REQUIREMENT – PART A OF APPENDIX 9B)****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 are no purchases or disposals of quoted securities in the current financial quarter.

**B9 Status of corporate proposals**

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

**B10 Group borrowings and debt securities**

The Group's borrowings from lending institutions as at 31 March 2017, which are denominated entirely in Ringgit Malaysia, are as follows:

	<u>RMø000</u>
<u>Short-term borrowings:</u>	
Secured	97,953
<u>Long-term borrowings:</u>	
Secured	5,591
Total borrowings	<u>103,544</u> =====

Based on the above, the Group's bank-gearing ratio is around 0.28 times. Besides the said borrowings, the Group's Cold Rolled subsidiary and the Steel Tube subsidiary also draw on interest-bearing trade credits from their respective raw-coil suppliers with outstanding amounts of RM109.9 million and RM57.5 million respectively as at 31 March 2017. Inclusive of this, the Group's absolute-gearing ratio as at 31 March 2017 is around 0.79 times.

**B11 Outstanding Derivatives**

The Group has entered into forward foreign currency exchange contracts (FX forwards) to manage its foreign currency exchange exposure arising from purchases of raw materials denominated in US Dollar (øUSDø) and certain sales denominated in Singapore Dollar (øSGDø). In this regard, the Group covers its USD exposure at the range of 80% to 90% depending on the length of the forward period and the availability of FX facilities.

The Group designates eligible hedge relations on FX forwards inception to cover its USD and/or SGD exposure for the purpose of hedge accounting. These are designated as fair value hedges with the arising mark-to-market foreign currency fair value gain/ (loss) of both the hedging instruments (i.e. FX Forwards) and the hedged items (i.e. forward purchases of raw material and or accounts payables in USD or accounts receivables in SGD) being charged to the Statement of Profit or Loss.



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

**B11 Outstanding Derivatives (continued)**

Details on outstanding derivative FX forward contracts for both the non-designated and designated for hedge accounting as at 31 March 2017 are outline below:

**Non-designated**

FX Forward Contracts (SGD/RM) as non-designated hedging instrument				
	Notional Value :000		Fair Value RM000	
Maturity	Short SGD	Long RM	Financial Asset	Financial Liability
Less than 1 year	370	1,157	-	18.5

**Non-designated**

FX Forward Contracts (USD/RM) as non-designated hedging instrument				
	Notional Value :000		Fair Value RM000	
Maturity	Long USD	Short RM	Financial Asset	Financial Liability
Less than 1 year	1,989	8,652	182.4	-

**Designated**

FX Forward Contracts as designated hedging Instrument					Forward purchase of raw material and/or a/c payable as hedge items				
	Notional Value :000		Fair Value RM000			Notional Value :000		Fair Value RM000	
Maturity	Long USD	Short RM	Financial Asset	Financial Liability	Maturity	Short USD	n.a.	Financial Asset	Financial Liability
Less than 1 year	30,804	136,739	299.1	462.0	Matching	30,804	n.a.	462.0	299.1

Besides the above unrealized positions, the Group has recorded a total realized net gain of around RM7.4 million from its FX Forward Contracts incepted for hedging purposes 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.

- (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 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 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.



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

**B12 Off balance sheet financial instruments and commitments**

Off balance sheet financial instruments as at the date of this announcement are bank guarantees issued amounting to RM3.5 million being security for inbound supply of goods and services; and corporate guarantees issued to lenders for borrowings extended to its principal subsidiaries, Mycron Steel CRC Sdn. Bhd. and Melewar Steel Tube Sdn. Bhd. amounting to RM102.9 million as at 31 March 2017.

**B13 Material litigation**

The Group is not engaged in any 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 2017.

**B15 Earnings per share**

(i) Basic earnings per ordinary share

	Current Year Quarter Ended 31 Mac 2017	Preceding Year Corresponding Quarter Ended 31 Mac 2016	Current Year To Date Ended 31 Mac 2017	Preceding Year Corresponding Period Ended 31 Mac 2016
Profit/(loss) attributable to owners (RM000)	7,363	6,675	26,972	14,842
Weighted average number of ordinary shares in issue (net of treasury shares) (000)	283,395	282,505	283,262	282,505
Basic earnings per share (sen)	2.60	2.36	9.52	5.25

(ii) Diluted earnings per ordinary share

This is not applicable to the Group.



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

**B16 Realised and Unrealised Profits/Losses Disclosure**

	As at 31/3/2017 RM'000	As at 30/6/2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	153,729	123,363
- Unrealised	(19,026)	(15,632)
	<u>134,703</u>	<u>107,731</u>
Add: Consolidation adjustments	<u>(218)</u>	<u>(218)</u>
Total group retained profits as per consolidated accounts	<u>134,485</u>	<u>107,513</u>

This interim financial statements have been authorized for issue by the Board of Directors on the date set-forth below.

By order of the Board  
LILY YIN KAM MAY (MAICSA 0878038)

Secretaries  
Kuala Lumpur  
26 May 2017