



CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2024

(The figures have not been audited)

	Individual Quarter Ended		12 Months Year-To-Date Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Revenue	237,849	159,177	801,812	539,995
Cost of sales	(214,716)	(144,279)	(742,378)	(503,965)
Impairment on inventories	-	-	-	(9,822)
Gross profit/(loss)	23,133	14,898	59,434	26,208
Operating expenses	(10,566)	(7,961)	(35,849)	(30,250)
Other operating income/(expense), net	(250)	364	1,823	1,356
Net foreign exchange gain/(loss)	(340)	409	1,870	654
Profit/(loss) from operations	11,977	7,710	27,278	(2,032)
Writeback/(Impairment) on property, plant and equipment	1,912	(6,811)	485	(6,923)
Finance income	437	496	1,828	1,497
Finance costs	(2,692)	(1,842)	(8,869)	(6,376)
Profit/(loss) before tax	11,634	(447)	20,722	(13,834)
Tax	(3,461)	386	(3,751)	1,498
Profit/(loss) for the period	8,173	(61)	16,971	(12,336)
Other comprehensive income				
- Revaluation surplus on property, plant and equipment, net of tax	1,874	11,118	1,874	11,118
Total profit/(loss) and other comprehensive income for the period	10,047	11,057	18,845	(1,218)
Earnings/(loss) per share attributable to owners of the Company (sen):				
- Basic	2.50	(0.02)	5.19	(3.77)
- 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 2023).



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

(The figures have not been audited)

	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	303,255	310,966
Right-of-use assets	43,583	47,947
Intangible assets	20,000	20,000
	<u>366,838</u>	<u>378,913</u>
Current Assets		
Inventories	265,895	173,694
Trade and other receivables	109,170	69,986
Financial assets at fair value through profit or loss	2,600	2,900
Amount owing by holding company	2,034	-
Tax recoverable	1,994	1,412
Derivative financial assets	125	1,062
Cash and bank balances	69,291	78,159
	<u>451,109</u>	<u>327,213</u>
Less: Current Liabilities		
Trade and other payables	106,182	41,230
Contract liabilities	339	6,419
Amount owing to holding company	3	3
Amount owing to related companies	781	291
Tax payable	448	78
Derivative financial liabilities	33	-
Borrowings	126,100	90,863
Lease liabilities	4,378	4,203
	<u>238,264</u>	<u>143,087</u>
Net Current Assets	<u>212,845</u>	<u>184,126</u>
Non-Current Liabilities		
Deferred tax liabilities	37,153	34,915
Deferred income	8,104	5,731
Borrowings	8,300	10,734
Lease liabilities	13,837	18,215
	<u>67,394</u>	<u>69,595</u>
	<u>512,289</u>	<u>493,444</u>
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	219,417	217,677
Warrant reserves	-	1,740
Asset revaluation reserve	55,775	53,901
Retained earnings	237,097	220,126
Total Equity	<u>512,289</u>	<u>493,444</u>
Net assets per share attributable to owners of the Company	<u>RM1.57</u>	<u>RM1.51</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 2023).

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2024

(The figures have not been audited)

	12 Months Year-To-Date Ended	
	30-Jun-24	30-Jun-23
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	20,722	(13,834)
Adjustments for :		
- Depreciation	20,133	19,594
- (Gain)/Loss on disposal of plant and equipment	(191)	59
- (Writeback)/Impairment on property, plant and equipment	(485)	6,923
- Impairment on inventories	-	9,822
- Writeback of impairment on receivables	-	(131)
- Fair value loss/(gain) on financial assets at fair value through profit or loss	300	(300)
- Amortisation of deferred income	(1,528)	(152)
- Net unrealised (gain)/loss on foreign exchange	(268)	(746)
- Interest income	(1,828)	(1,497)
- Interest expense	8,869	6,376
Operating profit before changes in working capital	45,724	26,114
Changes in working capital :		
- Inventories	(92,202)	92,237
- Trade and other receivables	(35,967)	6,281
- Trade and other payables	63,274	(132,766)
- Contract liabilities	(6,080)	(1,019)
- Intercompanies balances	(1,844)	401
- Tax paid	(2,315)	(4,549)
Net cash flows generated from/(used in) operating activities	(29,410)	(13,301)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(5,319)	(10,596)
- Proceeds from disposal of property, plant and equipment	402	232
- Proceeds from grant on property, plant and equipment	3,900	-
- Interest received	1,828	1,497
Net cash flows generated from/(used in) investing activities	811	(8,867)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	340,360	275,919
- Repayment of bank borrowings	(307,557)	(276,976)
- Payment of lease liabilities	(4,203)	(4,036)
- Interest paid	(8,869)	(6,376)
Net cash flows generated from/(used in) financing activities	19,731	(11,469)
Net change in cash and cash equivalents	(8,868)	(33,637)
Cash and cash equivalents at beginning of the financial year	78,159	111,796
Cash and cash equivalents at end of the financial year	69,291	78,159

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2023).

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FOURTH FINANCIAL QUARTER ENDED 30 JUNE 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
12 months ended 30 June 2024					
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	-	-	-	16,971	16,971
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	1,874	-	1,874
Total comprehensive income for the financial period	-	-	1,874	16,971	18,845
Transfer on expiry of Warrants	1,740	(1,740)	-	-	-
As at 30 June 2024	219,417	-	55,775	237,097	512,289
12 months ended 30 June 2023					
At 1 July 2022	217,677	1,740	42,783	232,462	494,662
Comprehensive income for the financial period					
- Loss for the financial period	-	-	-	(12,336)	(12,336)
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	11,118	-	11,118
Total comprehensive loss for the financial period	-	-	11,118	(12,336)	(1,218)
As at 30 June 2023	217,677	1,740	53,901	220,126	493,444

(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 2023).



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 2023 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 2023.

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 2023, except for the following new amendments to the MFRS (“standards”) effective for financial year beginning after 1 July 2023 which the Group has since adopted.

- MFRS 17, Insurance Contracts replaces MFRS 4
- Amendments to MFRS 17, Insurance Contracts – Initial application of MFRS 17 and MFRS 9
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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



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 2024.

- 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

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 18, Presentation and Disclosure in Financial Statements
- 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 2023 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

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 Jun 2024	30 Jun 2023
Total interest-bearing debts in RM'million	173.6	129.2
Adjusted Shareholders' Funds in RM'million	529.4	508.4
Absolute Gearing Ratio	0.33	0.25

On the total interest-bearing debts as at 30 June 2024, around RM123.3 million is represented by the respective debenture at its steel-tube and cold-rolled subsidiaries, whilst RM39.2 million is represented by unsecured interest-bearing supplier's credit also at the respective operating subsidiaries. (See Note B10). Debts of RM11.1 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.

The higher absolute-gearing for the current 4th financial quarter-end is due to higher trade-financing drawn (on inventories and receivables) in tandem with higher business volume.

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	742,500	324,804	6,367	1,073,671
Inter-segment elimination	(224,542)	(40,950)	(6,367)	(271,859)
External revenue	517,958	283,854	-	801,812
Pre-tax (loss)/profit	11,276	8,894	552	20,722
Segment assets	504,373	307,574	3,881	815,828
		RM'000		
Segment assets		815,828		
Derivative assets		125		
Tax recoverable		1,994		
		<u>817,947</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 export sales exceed the threshold of 10% or more on total revenue, warranting further analysis by geographic segments:

	Cold Rolled	Steel Tube	Total
	RM'000	RM'000	RM'000
<u>Year-to-Date Revenue by Geographic Areas</u>			
Malaysia	318,952	241,040	559,992
ASEAN	-	37,650	37,650
Non-ASEAN	199,006	5,164	204,170
Total External Revenue	517,958	283,854	801,812

*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.

In-conjunction with the current financial year ended 30 June 2024, the Group’s PPE, and ROU-Assets were revalued by an independent firm of professional valuers based on open market value. Arising from the said revaluation, the surpluses (net deferred tax) amounting to RM1.9 million was credited to the asset revaluation reserve, while surpluses in-relation to brought forward impairment amounting to RM0.5 million was credited to profit or loss as a writeback in the current financial year.

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 June 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	2,600.0	-	-
Foreign Currency Forwards			
as Assets (not hedge accounted)	-	-	-
as Assets (hedge accounted)	-	124.7	-
as Liabilities (not hedge accounted)	-	-	-
as Liabilities (hedge accounted)	-	(32.6)	-
Total	2,600.0	92.1	-

The Investment in Quoted Shares 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 RM2.8 million and RM1.1 million respectively for plant-equipment. These capital commitments will be payable over established milestones in the next 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 Qtr4 ended 30 Jun				Cumulative 12 months YTD ended 30 Jun			
	FY 2024 RM'000	FY 2023 RM'000	Changes		FY 2024 RM'000	FY 2023 RM'000	Changes	
			RM'000	%			RM'000	%
Revenue	237,849	159,177	78,672	49.4	801,812	539,995	261,817	48.5
Operating Profit/(Loss)	11,977	7,710	4,267	55.3	27,278	(2,032)	29,310	1,442.4
Profit/(Loss) Before Interest and Tax	13,889	899	12,990	1,444.9	27,763	(8,955)	36,718	410.0
Profit/(Loss) Before Tax	11,634	(447)	12,081	2,702.7	20,722	(13,834)	34,556	249.8
Profit/(Loss) After Tax	8,173	(61)	8,234	13,498.4	16,971	(12,336)	29,307	237.6
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	8,173	(61)	8,234	13,498.4	16,971	(12,336)	29,307	237.6

For the 4th financial quarter ended 30 June 2024, the Group registered a 49% higher revenue at RM237.8 million (compared to the preceding year's corresponding quarter at RM159.2 million), mainly due to higher sales volume by both the Cold Rolled (CRC) segment (up 102%) and the Steel Tube segment (up 6%). However, the average unit selling prices are down 5% and 9% respectively for the said segments in tandem with lower market steel prices as reflected in the segments' lower raw material input cost.

Corresponding with the better sales volume, the Group's gross profit for the current 4th quarter is around 55% higher than the comparative period. This is largely due to the CRC segment's better average unit-gross-margin from higher volume attributed to exports. Gross margin contribution from the Steel Tube segment is notably weaker (down 15%) due to thinner spread from downward price trend on mostly domestic sales. Nevertheless, the Group's overall better current 4th quarter results helped push its full FY24 operating profit to RM27million from an operating loss position in FY23.

The Group's pre-tax earnings for the current financial quarter at RM11.6 million is lifted by a writeback on property, plant and equipment (PPE) of RM1.9 million (compared to the comparative period's impairment on PPE of RM6.8 million which led to its pre-tax loss of RM0.4 million). Consequently, the Group recorded a post-tax profit of RM8.2 million for the current quarter compared to a post-tax loss of RM0.06 million in the comparative period.

The Group recorded a higher EBITDA of RM15.9 million in the current quarter compared to the preceding year's corresponding quarter's EBITDA of RM11.4 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

	Qtr4 FY2024	Qtr3 FY2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	237,849	226,004	11,845	5.2
Operating Profit/(Loss)	11,977	10,762	1,215	11.3
Profit/(Loss) Before Interest and Tax	13,889	9,462	4,427	46.8
Profit/(Loss) Before Tax	11,634	7,315	4,319	59.0
Profit/(Loss) After Tax	8,173	7,443	730	9.8
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	8,173	7,443	730	9.8

The Group's revenue for the current period at RM237.8 million is up around 5% compared to the immediate-preceding period at RM226.0 million. This is attributed to the higher sales volume by both the Cold Rolled (CRC) segment (up 2%), and the Steel Tube segment (up 7%). However, the segments' average unit-selling-prices and margins over the current quarter were under tremendous downward pressure in-line with the continuous declining price trend since January.

The Group's performance for the current quarter is lifted by the CRC segment's better performance at gross profit and at operating-profit levels (which are up more than 50%) supplemented by export-sales. However, the Steel Tube segment's gross profit for the current quarter dipped 9% compared to the preceding period, with the drop widening to more than 50% at operating-profit level due to severe margin squeeze on domestic sales. Hence, the Group's operating profit for the current quarter is only moderately higher (up 11%) than the preceding period. But the Group's pre-tax earnings for the current period notched-up higher by 59% due to the writeback on PPE of RM1.9million against the preceding period's impairment provision of RM1.3million. Post-tax earnings for the Group for the current period narrowed to 9.8% higher against the preceding period due to higher deferred tax provision.

The Group recorded a marginally higher EBITDA of RM15.9 million in the current quarter compared to the immediate-preceding quarter's EBITDA of RM14.7 million.

B3 Prospects for the next financial year

Coinciding with the Group's current 4th financial quarter (Q4), the Nation posted a strong 5.9% GDP growth with solid output from all sectors - including manufacturing. The S&P Global Malaysia Manufacturing PMI improved to 49.9 in June, the highest reading since the 3rd fiscal quarter of 2022. Behind the PMI numbers, the gain came from new export orders which rose for the third month running, whilst domestic manufacturing demand remained muted with business confidence reading slipped to a ten-month low at 0.7 points (vs the preceding quarter at 4.2 points). Collaborating with the aforementioned reports, our steel segments' domestic sales for the current quarter remained muted on soft demand and stiff competition from imports, on-top of margin-squeeze from the declining price-trend. The Group was able to record a marginally higher profit performance in the current Q4 over Q3, largely due its cold-rolled segment's sustained export volume.

Assessing the prospects for next six months, we see the regional and domestic steel outlook turning more dire – largely attributed to China's aggressive export of its excess steel amidst prolonged domestic demand slump (tied to deepened property woes and factory slowdown with the rise in deglobalisation and trade-protectionism). Regional steel prices, which have been on a continuous downward trend since January, are touching new lows in August and are forecasted to stay weak in rest of the year. Domestic steel players will likely continue to face severe competition and margin-squeeze from imports amidst muted domestic demand, high inventory, and falling steel prices.



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

B3 Prospects for the remaining financial year (continued)

Even-though domestic consumption has been a strong pillar of the Nation’s GDP growth, domestic steel consumption is expected to stay muted below pre-pandemic levels. Consumer confidence remains fragile with the rise in cost-of-living, consumption-taxes, diesel prices, and possibly RON-95 petrol prices next. The sharp appreciation of the Ringgit against USD in early August will ease the Nation’s imported inflation pressure in the coming months, but it may also erode the Nation’s export competitiveness and revenue. The weakened economic numbers coming out of the USA recently stoked recession fear, but it also increased the probability of interest-rate cuts from September. However, we may not see a similar direction of interest-rate cuts in Malaysia due to enduring inflationary pressure from numerous subsidy-cuts, indirect-taxation hike, and B-20 wage-rise push.

The Group’s prospect outlook for the next six months faces significant headwind which resonates with the developments narrated above.

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 Qtr4 ended 30 Jun		Cumulative 12 months YTD ended 30 Jun	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Depreciation:				
- property, plant and equipment	3,841	3,661	15,193	14,708
- right-of-use assets	1,235	1,222	4,940	4,887
Finance income	(437)	(496)	(1,828)	(1,497)



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

B5 Profit/(loss) before taxation (continued)

	Individual Qtr4 ended 30 Jun		Cumulative 12 months YTD ended 30 Jun	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Finance costs on:				
- borrowings	2,499	1,607	8,032	5,372
- lease liabilities	193	235	837	1,004
FX differences loss/(gain)	404	1,023	2,074	4,572
FX derivatives (gain)/loss	(64)	(1,432)	(3,944)	(5,226)

B6 Taxation

Taxation comprises :

	Individual Qtr4 ended 30 Jun		Cumulative 12 months YTD ended 30 Jun	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Current tax (expense)/credit				
Current period	(992)	(1,095)	(2,103)	(1,810)
Deferred tax (expense)/income				
Current period	(2,469)	1,481	(1,648)	3,308
	(3,461)	386	(3,751)	1,498

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

	<u>RM'000</u>
<u>Short-term borrowing</u>	
Secured	126,100
<u>Long-term borrowings:</u>	
Secured	8,300
Total borrowings	<u>134,400</u> =====

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 2023	101,597
<u>Cash Flows:</u>	
Inflows from new debts	340,360
Outflows on repayment	(307,557)
Closing balance as at 30 June 2024	<u>134,400</u> =====

Based on the above, the Group’s bank-gearing ratio is around 0.25 times. Besides the said borrowings, the Group also draws on interest-bearing trade credits from its raw-coil suppliers with an outstanding amount of RM39.2 million. Inclusive of that, the Group’s absolute-gearing ratio as at 30 June 2024 is 0.33 times. The Group met all its banks’ covenants for the current financial year ended.

B11 Outstanding Derivatives

The Group has exposure to foreign currency exchange (FOREX) risk arising from current and future payment-obligations in foreign currency on imports; and from current and future receivable-rights in foreign currency on exports. Where possible, the Group seeks to optimize natural FOREX hedge between its foreign-currency denominated rights and obligations. Any residue FOREX risk exposures are then hedged with forward foreign currency exchange contracts (FX forwards) at between 50-80% coverage – 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 Outstanding Derivatives (continued)

Where eligible, the Group designates hedge relations on FX forwards (i.e. hedge instruments) incepted to cover its residue FOREX exposure on financial obligations and rights (i.e. hedge items) for the purpose of hedge accounting. These are designated as fair value hedges with the arising mark-to-market FOREX fair value gain/ (loss) on both the hedge instruments and hedged items being charged to the Statement of Profit or Loss.

Details on outstanding derivative FX forward contracts for both the non-designated and designated for hedge accounting as at 30 June 2024 are outline below:

Non-designated

FX Forward Contracts (USD/RM) as non-designated hedging instrument				
Maturity	Notional Value '000		Fair Value RM'000	
	Short USD	Long USD	Financial Asset	Financial Liability
Less than 1 year	-	-	-	-

Designated

FX Forward Contracts (USD/RM) as designated hedging instrument					Financial obligations & rights in foreign currency as hedge items				
Maturity	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	13,537	-	124.7	32.6	Matching	-	13,537	32.6	124.7

Besides the above unrealized positions, the Group has recorded a total realized net gain of around RM3.9 million from its FX Forward Contracts as hedging instruments with corresponding realized net loss of around RM2.3 million from its 'foreign currency obligations & rights' 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.



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 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.

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 RM133.5 million as at 30 June 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 June 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 Qtr4 ended 30 Jun		Cumulative 12 months YTD ended 30 Jun	
	FY 2024	FY 2023	FY 2024	FY 2023
Profit/(loss) attributable to owners (RM'000)	8,173	(61)	16,971	(12,336)
Weighted average number of ordinary shares in issue ('000)	327,058	327,058	327,058	327,058
Basic earnings/(loss) per share (sen)	2.50	(0.02)	5.19	(3.77)

(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 28 August 2024.