CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2024

(The figures have not been audited)

	Individual Quarter Ended		6 Months Year-To-Date Ended	
	31-Dec-24 RM'000	31-Dec-23 RM'000	31-Dec-24 RM'000	31-Dec-23 RM'000
Revenue	204,054	175,181	402,441	337,959
Cost of sales	(192,577)	(166,567)	(379,994)	(318,933)
Gross profit	11,477	8,614	22,447	19,026
Operating expenses	(9,365)	(8,130)	(17,972)	(15,948)
Other operating income/(expense), net	164	196	322	504
Net foreign exchange gain/(loss)	1,341	386	(1,554)	1,057
Impairment provision on property, plant and equipment	-	(127)	-	(127)
Operating profit	3,617	939	3,243	4,512
Investment in quoted shares	(250)	-	(500)	(100)
Finance income	353	456	823	979
Profit before financing and income taxes	3,720	1,395	3,566	5,391
Finance costs	(1,785)	(1,681)	(4,196)	(3,618)
Profit/(Loss) before tax	1,935	(286)	(630)	1,773
Tax	(710)	418	(417)	(418)
Profit/(Loss) for the period	1,225	132	(1,047)	1,355
Other comprehensive income				
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-
Total profit/(loss) and other comprehensive income for the period	1,225	132	(1,047)	1,355
Earnings/(Loss) per share attributable to owners of the Company (sen):				
- Basic	0.37	0.04	(0.32)	0.41
- 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 2024).

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(The figures have not been audited)

	As at 31-Dec-24 RM'000	As at 30-Jun-24 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	300,893	303,255
Right-of-use assets	41,108	43,583
Intangible assets	20,000	20,000
	362,001	366,838
Current Assets		
Inventories	219,700	265,895
Trade and other receivables	82,111	109,170
Financial assets at fair value through profit or loss	2,100	2,600
Amount owing by holding company	-	2,034
Tax recoverable	2,634	1,994
Derivative financial assets	226	125
Cash and bank balances	45,261	69,291
	352,032	451,109
Less: Current Liabilities		
Trade and other payables	28,839	106,182
Contract liabilities	161	339
Amount owing to holding company	14	3
Amount owing to related companies	217	781
Tax payable	-	448
Derivative financial liabilities	61	33
Borrowings	104,985	126,100
Lease liabilities	4,468	4,378
	138,745	238,264
Net Current Assets	213,287	212,845
Non-Current Liabilities		
Deferred tax liabilities	37,334	37,153
Deferred income	7,930	8,104
Borrowings	7,202	8,300
Lease liabilities	11,580	13,837
	64,046	67,394
	511,242	512,289
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	219,417	219,417
Asset revaluation reserve	55,775	55,775
Retained earnings	236,050	237,097
Total Equity	511,242	512,289
Net assets per share attributable to owners of the Company	RM1.56	RM1.57

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024).

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2

(The figures have not been audited)

	6 Months Year-To-Date Ended	
	31-Dec-24 RM'000	31-Dec-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(630)	1,773
Adjustments for :		
- Depreciation	9,789	10,023
- Loss/(Gain) on disposal of plant and equipment	33	(187)
- Impairment provision on property, plant and equipment	-	127
- Writeback of impairment on receivables	(6)	-
- Fair value loss/(gain) on financial assets at fair value through profit or loss	500	100
- Amortisation of deferred income	(174)	(109)
- Net unrealised loss/(gain) on foreign exchange	52	(380)
- Interest income	(823)	(979)
- Interest expense	4,196	3,618
Operating profit before changes in working capital	12,937	13,986
Changes in working capital :		
- Inventories	46,196	(3,496)
- Trade and other receivables	27,452	(16,398)
- Trade and other payables	(77,355)	(21,804)
- Contract liabilities	(178)	(4,744)
- Intercompanies balances	982	343
- Tax paid	(1,326)	(1,003)
Net cash flows generated from/(used in) operating activities	8,708	(33,116)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Purchase of property, plant and equipment	(5,074)	(3,035)
- Proceeds from disposal of property, plant and equipment	89	391
- Proceeds from grant on property, plant and equipment	-	3,900
- Interest received	823	979
Net cash flows (used in)/generated from investing activities	(4,162)	2,235
CASH FLOWS FROM FINANCING ACTIVITIES		
- Proceeds from bank borrowings	197,818	162,720
- Repayment of bank borrowings	(220,031)	(139,405)
- Payment of lease liabilities	(2,167)	(2,080)
- Interest paid	(4,196)	(3,618)
Net cash flows (used in)/generated from financing activities	(28,576)	17,617
Net change in cash and cash equivalents	(24,030)	(13,264)
Cash and cash equivalents at beginning of the financial year	69,291	78,159
Cash and cash equivalents at end of the financial year	45,261	64,895

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2024).

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2024
(The figures have not been audited)

	Attributable to owners of the Company				
	Non-distributable				
	Share Capital	Warrant Reserves	Asset Revaluation Reserve	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 December 2024					
At 1 July 2024	219,417	-	55,775	237,097	512,289
Comprehensive income for the financial period					
- Loss for the financial period	-	-	-	(1,047)	(1,047)
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(1,047)	(1,047)
As at 31 December 2024	219,417	-	55,775	236,050	511,242
6 months ended 31 December 2023					
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	-	-	-	1,355	1,355
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	1,355	1,355
As at 31 December 2023	217,677	1,740	53,901	221,481	494,799

(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 2024).

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 2024 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 2024.

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 2024, except for the following new amendments to the MFRS ("standards") effective for financial year beginning after 1 July 2024 which the Group has since adopted.

- 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

The adoption of the above did not have any impact on the Group's financial statements for the current period.

The Group also early adopted 'MFRS 18, Presentation and Disclosure in Financial Statements' (in replacement of 'MFRS101, Presentation of Financial Statements') with effect from 1 July 2024, which entails improved classifications and disclosures to the financial statements.

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 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 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 2024 was not subjected to any audit qualification.

A3 Seasonality or cyclicality 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.

	31 Dec 2024	30 Jun 2024
Total interest-bearing debts in RM'million	124.4	173.6
Adjusted Shareholders' Funds in RM'million	528.6	529.4
Absolute Gearing Ratio	0.24	0.33

On the total interest-bearing debts as at 31 December 2024, around RM101.9 million is tied to trade-financing drawn under the respective debenture at its steel-tube and cold-rolled subsidiaries, whilst RM12.2 million is tied to unsecured interest-bearing supplier's credit drawn by the said operating subsidiaries. (See Note B10). Debts of RM10.3 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.

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
Revenue				
Total revenue	281,472	130,133	4,393	415,998
Inter-segment elimination	(9,164)	-	(4,393)	(13,557)
External revenue	272,308	130,133	-	402,441
Pre-tax (loss)/profit	3,413	(4,317)	574	(630)
Segment assets	456,512	251,412	3,249	711,173

	RM'000
Segment assets	711,173
Derivative assets	226
Tax recoverable	2,634
	714,033

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 year-to-date sales by geographic segments are as follows:

	Cold Rolled	Steel Tube	Total
Year-to-Date Revenue by Geographic Areas	RM'000	RM'000	RM'000
Malaysia	188,918	111,686	300,604
ASEAN	-	16,790	16,790
Non-ASEAN	83,390	1,657	85,047
Total External Revenue	272,308	130,133	402,441

*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.

The valuation on PPE has been brought forward from the audited financial statements for the preceding financial year ended 30 June 2024 and adjusted for the current financial year's depreciation and impairment-provisions 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, 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 31 December 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	2,100.0	-	-
Foreign Currency Forwards			
as Assets (hedge accounted)	-	225.9	-
as Liabilities (hedge accounted)	-	(60.7)	-
Total	2,100.0	165.2	-

This 'Investment in Quoted Shares' on investment made in a strategic customer since June 2022, 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 RM1.2 million and RM1.0 million respectively for plant-equipment. These capital commitments will be payable over established milestones in the current 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 Qtr-2 ended 31 Dec				Cumulative 6 months YTD ended 31 Dec			
	FY 2025	FY 2024	Changes		FY 2025	FY 2024	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	204,054	175,181	28,873	16.5	402,441	337,959	64,482	19.1
Operating Profit/(Loss)	3,617	939	2,678	285.2	3,243	4,512	(1,269)	-28.1
Profit/(Loss) Before Interest and Tax	3,720	1,395	2,325	166.7	3,566	5,391	(1,825)	-33.9
Profit/(Loss) Before Tax	1,935	(286)	2,221	776.6	(630)	1,773	(2,403)	-135.5
Profit/(Loss) After Tax	1,225	132	1,093	828.0	(1,047)	1,355	(2,402)	-177.3
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,225	132	1,093	828.0	(1,047)	1,355	(2,402)	-177.3

For the 2nd financial quarter ended 31 December 2024, the Group registered a 17% higher revenue at RM204.1 million (compared to the preceding year's corresponding quarter at RM175.2 million), mainly due to higher sales volume by the Cold Rolled (CRC) segment (up 44%) attributed to its higher export sales volume. The Steel Tube segment's sales volume however is lower by 6% due to worsened local market conditions from the deluge of cheaper imports (through legal and illegal channels) compared to a year ago. The steel-price downtrend (since March 2023) continued into the current quarter as reflected in both segments' lower average unit selling prices (down 7% and 10% respectively against the comparative period).

Gross margins on the domestic sales in the current quarter are eroded by lower throughput, declining price-trend, and price-undercutting from imports. Consequently, the Steel Tube segment's gross profit (adjusted for outbound delivery costs) is down nearly 78%. The CRC segment's gross profit (adjusted for outbound delivery costs) is up nearly 22-folds as its export volume is higher by around 93%. The current financial quarter saw net FX gain of RM1.3million (compared to the comparative period's smaller FX gain of RM0.4million) as the Ringgit eased by 9% and 2% against USD and SGD at December closing from its peak in September. As result, the Group recorded an operating-profit of RM 3.6 million for the current period (against RM0.9million in the comparative period).

Consequently, the Group recorded a pre-tax profit of RM1.9 million for the current quarter compared to a pre-tax loss of RM0.3 million in the comparative period and a post-tax profit of RM1.2 million against a post-tax profit of RM0.1 million in the comparative period.

The Group recorded a higher EBITDA of RM7.2 million in the current quarter compared to the preceding year's corresponding quarter's EBITDA of RM5.0 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

	Qtr2 FY2025	Qtr1 FY2025	Changes	
	RM'000	RM'000	RM'000	%
Revenue	204,054	198,387	5,667	2.9
Operating Profit/(Loss)	3,617	(374)	3,991	1,067.1
Profit/(Loss) Before Interest and Tax	3,720	(154)	3,874	2,515.6
Profit/(Loss) Before Tax	1,935	(2,565)	4,500	175.4
Profit/(Loss) After Tax	1,225	(2,272)	3,497	153.9
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,225	(2,272)	3,497	153.9

The Group's revenue for the current period at RM204 million is up around 3% compared to the immediate-preceding period at RM198.4 million. This is attributed to the higher sales volume by both the Cold Rolled (CRC) segment (up 11% as its export volume rose) and the Steel Tube segment (up 6%) compared to the preceding period. However, the higher sales volume is negated by lower average unit selling prices in tandem with the continuing downward price trend.

The prolonged downward price trend coupled with intensified deluge of imports ((through legal and illegal channels particularly from China) severely impinged gross-margins on local sales. In this regard, the Steel Tube segment's gross-margin-per-unit sold dwindled sharply, resulting in an operating loss for the current quarter at around RM2million. The CRC segment's gross-margin-per-unit sold in the current quarter is higher against the preceding period due to sharply higher export sales volume and improved HRC-CRC spreads in foreign markets -which resulted in a higher segment operating profit at RM5.5million. The current period recorded a net-FX gain of RM1.3 million (compared to a net-FX loss of RM2.9 million in the preceding period), as the Ringgit eased in the current period (down 9% & 2% against USD & SGD respectively) from its sharp-rise (up 13% & 7.4% against USD & SGD respectively) in the preceding period. As the result, the Group recorded an operating-profit of RM 3.6 million for the current period (against RM0.4million loss in the preceding period).

Netting financing and investment costs, the Group recorded a pre-tax profit of RM1.9 million for the current period compared to a pre-tax loss of RM2.6 million in the preceding period and a post-tax profit of RM1.2 million against a post-tax loss of RM2.3 million in the preceding period.

The Group recorded a higher EBITDA of RM7.2 million in the current quarter compared to the immediate-preceding quarter's EBITDA of RM3.1 million.

B3 Prospects for the remaining financial year

The negative conditions on the local steel industry have further deteriorated into the current 2nd financial quarter. Despite the Nation's relatively strong GDP growth for 2024 (at 5.1%), the domestic steel industry could not benefit from that due to import-undercuts, depressed margins, and elevated costs. Analyses revealed that importation of steel pipes from the top-2 exporting-nations alone in 2024 has increased 36% over 2023 (and 110% over 2022). Over that same comparative period, we estimate domestic steel margins were eroded by more than 50%, whilst production and financing costs were up more than 30%. Despite these, the Group was able to turn-in a small pre-tax profit (of RM 2million) for the current quarter mainly due to the continuing contribution from its export sales of cold-rolled products.

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

B3 Prospects for the remaining financial year (continued)

Moving into the 2nd-half of the financial year, we expect market dynamics to get more turbulent with forceful headwinds. The new Trump administration's norm-breaking policies (on 'steel' to 'energy' to 'trade' to 'foreign-affairs') are expected to reverberate across the world.

i. US's restoration of steel import tariffs of 25% minimum on all countries (without exceptions) will negatively impact our CRC segment's export until new markets can be established. On the plus-side, this levels the playing-field for exporters into the US and may accords us a window to directly export into the US. On the down-side, it will take some time to establish new markets.
ii. US's all-round steel import tariff may likely divert exports into less protected and porous markets like Malaysia. On this, the 'Malaysian Iron & Steel Industry Federation' (MISIF) has been quick to seek the Government's intervention on the matter. Failure to stamp the possible import-deluge will be catastrophic for the domestic steel industry.
iii. US's vigour in addressing its trade-imbalance and fiscal-deficits, will likely sustain inflationary pressure, high interest-rates, and a strong USD; and trim global trade & growth. Extending that scenario, we will face a harsher market environment in-tandem with a slowdown in Malaysia's economy

At the domestic front, there are also developments that will impact the local steel industry in the 2nd -half.

iv. Government Agencies have taken heed of the industry's plight on smuggled steel, and have acted to uncover sizable volume of duty/tariff evaded coils and counterfeit pipes. Whilst only the 'tip' has been uncovered, it throws caution on rogue importers.
v. The Government commissioned 'Independent Iron & Steel Committee' has recently completed its study and recommendations on the local steel industry & its alignment with the nation's New Industrial Master Plan 2030. Those recommendations when implemented would augur well for the domestic steel industry.
vi. Local production of HRC commenced in January 2025, and this should shorten lead-time and ease tied-up working capital of mid-downstream steel consumers (like us) in the medium-to-long term.
vii. The Government has in January 2025 imposed provisional anti-dumping duties on CRC from China, India, Japan, & Korea (pursuant to petitions for sunset review). Whilst our CRC operation eagerly awaits the Judicial Review hearing on 8 May 2025 (to squash MITI's decision to remove anti-dumping duties on CRC imported from South Korea and Vietnam in July 2023 which is now on-hold), our Steel Tube is mobilizing to seek safe-guard/ anti-dumping duties on steel pipe imports (as the needed statistics and requisite evidence of 'damage' have sufficiently built-up).

In-conclusion, the Group's near-term prospect outlook for the remaining period is likely to be very tumultuous and bearish. However, moving into the tail-end of the last financial quarter and beyond, up-side potential should improve as the dust settles along with a higher probability of a steel price rebound (driven by US reindustrialization, China rebound, and rebuilding of war-torn hotspots).

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

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

B5 Profit/(loss) before taxation

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

	Individual Qtr2 ended 31 Dec		Cumulative 6 months YTD ended 31 Dec	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Depreciation:				
- property, plant and equipment	3,670	3,927	7,314	7,790
- right-of-use assets	1,237	1,116	2,475	2,232
Finance income	(353)	(456)	(823)	(979)
Finance costs on:				
- borrowings	1,614	1,467	3,843	3,179
- lease liabilities	171	214	353	439
FX differences (gain)/loss	1,377	(1,440)	204	(3,017)
FX derivatives (gain)/loss	(2,718)	1,054	1,350	1,960

B6 Taxation

Taxation comprises :

	Individual Qtr2 ended 31 Dec		Cumulative 6 months YTD ended 31 Dec	
	FY 2024 RM'000	FY 2023 RM'000	FY 2024 RM'000	FY 2023 RM'000
Current tax (expense)/credit				
Current period	(131)	(1,070)	(238)	(1,938)
Deferred tax (expense)/income				
Current period	(579)	1,488	(179)	1,520
	(710)	418	(417)	(418)

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

	RM'000
Short-term borrowing	
Secured	104,985
Long-term borrowings:	
Secured	7,202
Total borrowings	112,187
	======

Cash-flow movement in-relation to 'changes in liabilities arising from financing activities' on a year-to-date basis is outlined below:

	RM'000
Total Borrowings' opening balance as at 1 July 2024	134,400
Cash Flows:	
Inflows from new debts	197,818
Outflows on repayment	(220,031)
Closing balance as at 31 December 2024	112,187
	======

The above bank borrowings comprised of trade-financing (short-term) and term-loans (long-term). None falls under the definition of 'supplier financing arrangement' warranting further disclosure under MFRS7. The Group's bank-gearing ratio is around 0.21 times. Besides the aforementioned, the Group also draws on interest-bearing trade credits from its raw-coil suppliers with an outstanding amount of RM12.2 million. Inclusive of that, the Group's absolute-gearing ratio as at 31 December 2024 is 0.24 times. The Group met all its banks' covenants for the current financial year ended.

B11 FX Risks & Outstanding Derivatives

FX Risks

The Group has exposure to foreign currency exchange (FX) risk from payment-obligations in USD on raw material imports; and from receivable-rights in USD and SGD on export sales – with the former significantly larger than the latter.

Where possible, the Group seeks to optimize natural FX hedge for settlement between its foreign currency rights and obligations sitting in separate subsidiaries– as this would result in savings from double FX transaction cost and derivative-instruments' wide bid-ask spreads. Excess FX exposure is then hedged with forward foreign currency exchange contracts (FX forwards)– 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 FX Risks & Outstanding Derivatives (continued)

Year-to-date, the Group recorded the following gains/(loss) from its natural-hedged, unhedged, and fair-value-hedged positions:

Natural Hedged

	Taken-up in	Gain/(Loss) RM'ooo Unrealized	Realized	Total
Obligations: Purchases in USD	Inventory / COGS	49	686	735
Rights: Cash & Receivables in USD	FX	-49	-686	-735
Net Impact		0	0	0

Note:

a. Rights and Obligations reside in different subsidiaries.
b. Savings/(cost) from lower/(higher) translated purchase-price as taken-up in inventory & COGS due to FX movement is reflective of the net-results if both legs of the FX exposures are hedged with FX-Forwards (excluding costs).

Unhedged

	Taken-up in	Gain/(Loss) RM'ooo Unrealized	Realized	Total
Rights: Cash & Receivables in SGD	FX	-3	-815	-818
		-3	-815	-818

Note:

a. FX-exposures from SGD export-sales ranges between 3 to 4 months and are mostly left unhedged due to voluminous small value contracts, narrow volatility of currency-pair, and collection-timing uncertainty.

Fair-Value-Hedged

	Taken-up in	Gain/(Loss) RM'ooo Unrealized	Realized	Total
FX Forward Contracts (designated)	FX	166	-1,515	-1,349
Obligations: Purchases in USD	FX	-167	1,515	1,348
Net Impact		-1	0	-1

Outstanding Derivatives

Details on the Group's outstanding derivative FX forward contracts designated for fair-value hedge accounting as at 31 December 2024 are outline below:

Designated

FX Forward Contracts (USD/RM) as designated hedging Instrument					Financial obligations & rights in foreign currency as hedge items				
	Notional Value '000		Fair Value RM'000			Notional Value '000		Fair Value RM'000	
Maturity	Long USD	Short USD	Financial Asset	Financial Liability	Maturity	Long USD	Short USD	Financial Asset	Financial Liability
Less than 1 year	6,663	2,500	225.9	60.7	Matching	2,500	6,663	60.7	225.9

(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 minimize 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 RM6.6 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 RM111.0 million as at 31 December 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 31 December 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 Qtr2 ended 31 Dec		Cumulative 6 months YTD ended 31 Dec	
	FY 2024	FY 2023	FY 2024	FY 2023
Profit/(loss) attributable to owners (RM'000)	1,225	132	(1,047)	1,355
Weighted average number of ordinary shares in issue ('000)	327,058	327,058	327,058	327,058
Basic earnings/(loss) per share (sen)	0.37	0.04	(0.32)	0.41

(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 25 February 2025.