

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31-Dec-15 RM'000	Preceding Year Corresponding Quarter 31-Dec-14 RM'000	Current Year To Date 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
<b>Continuing Operations</b>				
Revenue	242,539	261,510	1,017,982	1,048,470
Profit before depreciation	42,789	(4,481)	98,827	5,431
Depreciation	(8,248)	(8,903)	(34,714)	(38,148)
Operating profit/(loss)	34,541	(13,384)	64,113	(32,717)
Interest expense	-	-	-	-
Interest income	1,820	1,808	7,084	6,977
Share of profit/(loss) of associates	(259)	(655)	(1,747)	(1,283)
Profit/(loss) before tax	36,102	(12,231)	69,450	(27,023)
Tax expense	(7,577)	3,219	(14,848)	5,757
Profit/(loss) after tax from continuing operations	28,525	(9,012)	54,602	(21,266)
Other comprehensive income/(loss)	18	(320)	(196)	320
Total comprehensive income/(loss)	28,543	(9,332)	54,406	(20,946)
Profit/(loss) after tax attributable to equity holders of the parent	28,525	(9,012)	54,602	(21,266)
Total comprehensive income/(loss) attributable to equity holders of the parent	28,543	(9,332)	54,406	(20,946)
<b>Earnings per share from continuing operations attributable to equity holders of the parent:</b>				
Basic earnings/(loss) per share (sen)	7.47	(2.43)	14.75	(5.72)
Diluted earnings/(loss) per share (sen)	7.47	(2.43)	14.75	(5.72)

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2014.

**CSC STEEL HOLDINGS BERHAD**  
**(Company No. 640357-X)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**  
**(The figures have not been audited)**

	<b>As at End of Current Quarter 31-Dec-15 RM'000</b>	<b>As at Preceding Financial Year Ended 31-Dec-14 RM'000</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	227,054	234,000
Investment in associates	4,286	5,867
Investment	5,062	4,800
Deferred tax assets	81	-
Prepaid operating lease	18,029	18,266
	<u>254,512</u>	<u>262,933</u>
<b>Current assets</b>		
Inventories	211,882	223,615
Receivables	121,747	100,631
Cash and cash equivalents	231,379	210,395
	<u>565,008</u>	<u>534,641</u>
<b>Total assets</b>	<u><u>819,520</u></u>	<u><u>797,574</u></u>
<b>Equity and Liabilities</b>		
<b>Capital and reserves</b>		
Share capital	380,000	380,000
Share premium	32,441	32,441
Less: treasury shares at cost	(12,199)	(9,633)
Fair value adjustment reserve	880	1,076
Retained earnings	368,129	324,639
<b>Equity attributable to equity holders of the parent/Total equity</b>	<u>769,251</u>	<u>728,523</u>
<b>Non-current liabilities</b>		
Deferred taxation	20,381	20,449
Long term loan	-	-
	<u>20,381</u>	<u>20,449</u>
<b>Current liabilities</b>		
Payables	29,888	48,602
Short term borrowings	-	-
Taxation	-	-
	<u>29,888</u>	<u>48,602</u>
<b>Total liabilities</b>	<u>50,269</u>	<u>69,051</u>
<b>Total equity and liabilities</b>	<u><u>819,520</u></u>	<u><u>797,574</u></u>
Net Assets per share (RM)	<u>2.09</u>	<u>1.96</u>

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2014.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**  
(The figures have not been audited)

	Cumulative Quarter	
	Current Year To Date 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax/(loss)	69,450	(27,023)
Adjustments for:		
Non-cash items	22,436	53,357
Non-operating items	(6,020)	(7,174)
Operating Profit/(Loss) Before Working Capital Changes	85,866	19,160
(Increase)/Decrease in working capital:		
Inventories	11,643	(23,030)
Trade and other receivables	(14,051)	(3,416)
Trade and other payables	(5,255)	13,297
Cash Generated From Operations	78,203	6,011
Tax paid	(10,519)	(6,260)
Interest paid	-	-
Net Cash From/(Used In) Operating Activities	67,684	(249)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(40,215)	(30,202)
Interest received	6,909	7,370
Sale of subsidiary net of cash disposed (Note 1)	526	-
Acquisition of investment in associates	-	-
Acquisition of investment	(459)	-
Dividend received from investment	217	196
Proceeds from disposal of property, plant and equipment	-	-
Net Cash From/(Used In) Investing Activities	(33,022)	(22,636)
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(11,112)	(26,034)
Proceeds from term loan	-	-
Repayment of term loan	-	-
Net proceeds from/(repayment of) short-term borrowings	-	-
Buy back of own shares	(2,566)	(683)
Net Cash From/(Used In) Financing Activities	(13,678)	(26,717)
Net increase/(decrease) in cash and cash equivalents	20,984	(49,602)
Cash and cash equivalents at beginning of period	223,615	259,997
Cash and cash equivalents at end of period	<b>244,599</b>	<b>210,395</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash & bank balances	7,779	9,481
Deposits in the licensed banks	108,821	91,124
Unit trust funds	114,779	109,790
	<b>231,379</b>	<b>210,395</b>

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2014.

**CSC STEEL HOLDINGS BERHAD**  
**(Company No. 640357-X)**

**Notes to Consolidated Statement of Cash Flows**  
**For The Fourth Quarter Ended 31 December 2015**  
**(The figures have not been audited)**

Note 1 : Disposal of Subsidiary, CBC Bio-Coal Sdn Bhd

	RM'000
Property plant and equipment	11,316
Inventories	90
Receivables	352
Bank balances	474
Payables	<u>(14,478)</u>
	(2,246)
Gain on Disposal	<u>3,246</u>
Total disposal consideration	1,000
Less: Bank balances of CSC Bio-Coal Sdn Bhd	<u>(474)</u>
Cash flow on disposal, net of cash disposed	<u><u>526</u></u>

**CSC STEEL HOLDINGS BERHAD**  
(Company No. 640357-X)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**  
(The figures have not been audited)

	Non-Distributable				Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Fair Value Adjustment Reserve RM'000	Retained Earnings RM'000	
<b>Balance as at 1 January 2015</b>	380,000	32,441	(9,633)	1,076	324,639	728,523
Total comprehensive income/(loss)	-	-	-	(196)	54,602	54,406
Dividends	-	-	-	-	(11,112)	(11,112)
Purchase of treasury shares at cost	-	-	(2,566)	-	-	(2,566)
Rounding difference	-	-	-	-	-	-
<b>Balance as at 31 December 2015</b>	<b>380,000</b>	<b>32,441</b>	<b>(12,199)</b>	<b>880</b>	<b>368,129</b>	<b>769,251</b>
<b>Balance as at 1 January 2014</b>	380,000	32,441	(8,950)	756	371,939	776,186
Total comprehensive income/(loss)	-	-	-	320	(21,266)	(20,946)
Dividends	-	-	-	-	(26,034)	(26,034)
Purchase of treasury shares at cost	-	-	(683)	-	-	(683)
Rounding difference	-	-	-	-	-	-
<b>Balance as at 31 December 2014</b>	<b>380,000</b>	<b>32,441</b>	<b>(9,633)</b>	<b>1,076</b>	<b>324,639</b>	<b>728,523</b>

**Notes:**

The condensed financial statements should be read in conjunction with the accompanying explanatory notes attached to the financial statements and the audited financial statements for the financial year ended 31 December 2014.

**CSC STEEL HOLDINGS BERHAD**  
**(Company No: 640357-X)**

**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**PART A: EXPLANATORY NOTES AS PER MFRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements have been prepared on the basis of consolidating the results of the subsidiary companies during the three months period under review using the acquisition method of accounting. The interim financial statements are to be read in conjunction with the Company audited annual financial statements for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

The accounting principles and bases used are consistent with those previously adopted in the preparation of the financial statements of CSC Steel Holdings Berhad ("CHB"), and its subsidiary companies ("Group").

**A2. Qualification of Annual Financial Statements**

There has not been any qualification made by the auditors on the annual financial statements of the Group for the financial year ended 31 December 2014.

**A3. Seasonal and cyclical factors**

The Group's business operation results are not materially affected by any major seasonal or cyclical factors.

**A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There is no item of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows.

**A5. Material changes in estimates**

There is no material changes in estimates of amounts reported in the current quarter under review.

**A6. Issuances and repayment of debt and equity securities**

There is no issuance and repayment of debt and equity securities during the quarter under review.

**A7. Dividend Paid**

There was no dividend paid during the quarter under review.

**CSC STEEL HOLDINGS BERHAD**  
(Company No: 640357-X)

**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**PART A: EXPLANATORY NOTES AS PER MFRS 134**

**A8. Segment information**

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

	<u>Steel coils*</u>	Technical <u>fee</u>	<u>Others</u>	Consolidation <u>adjustment</u>	Current year <u>to date</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	1,016,921	800	261	-	1,017,982
Inter-segment revenue	-	-	15,158	(15,158)	-
Total revenue	<u>1,016,921</u>	<u>800</u>	<u>15,419</u>	<u>(15,158)</u>	<u>1,017,982</u>
Segment result	<u>60,927</u>	<u>(638)</u>	<u>8,848</u>	<u>(5,024)</u>	<u>64,113</u>

\*Steel coils– cold rolled, galvanised & pre-painted galvanised steel coils

CHB had disposed of its 100% equity stake in its wholly owned subsidiary, CSC Bio-Coal Sdn Bhd in the previous quarter.

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

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land which is stated at cost. There is no revaluation of property, plant and equipment for the current quarter and financial year to date.

**A10. Material events subsequent to the end of the interim period**

There is no material event subsequent to the end of the quarter under review.

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

There is no change in the composition of the Group during the quarter under review. However, the Group had disposed of a subsidiary company dealing in the production of bio-mass and bio-coal during the previous quarter.

**A12. Changes in contingent liabilities**

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

**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**PART A: EXPLANATORY NOTES AS PER MFRS 134**

**A13. Capital commitments**

	RM'000
Approved and contracted for	11,951
Approved but not contracted for	36,139
	<u>48,090</u>

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of performance**

The Group registered revenue and profit before tax for the current quarter of RM242.5 million and RM36.1 million respectively. This represents a decrease of RM19.0 million or 7.3% lower in revenue than that of its corresponding quarter. The decrease in revenue is primarily due to decreases in selling prices of all our steel products and lower sales volume of certain steel products. In spite of the lower revenue, the Group recorded a profit before tax of RM36.1 million this quarter compared with a loss before tax of RM12.2 million suffered in the corresponding quarter. The significant improvement in profit is due to lower cost of production experienced during the quarter as a result of lower Hot Rolled Steel prices and a write-back of the doubtful debt provision of RM16.9 million out of which RM12.9 million of the doubtful debt provision was originally provided in the corresponding quarter.

**B2. Variation of results against preceding quarter**

The Group's revenue has increased by 8.9% from RM222.7 million in the preceding quarter to RM242.5 million this quarter. The increase in revenue is due to significant increase in sales volume of some of our steel products and marginal increase in selling prices of some of our steel products. In line with the higher revenue and the write-back of the doubtful debt provision of RM16.9 million, the Group registered a higher profit before tax of RM36.1 million compared with RM12.3 million achieved in the preceding quarter.

**B3. Current year prospects**

The continued slow down in China's economy will remain a major challenge for the Group. Although China has implemented several measures to reduce steel output, particularly from its older mills, total China steel over production may still remain. If China's domestic demand remains sluggish, the export market will continue to be soft.

On the domestic front, the anti-dumping measures implemented by the Malaysian Government have stemmed the decline in steel prices. Together with the continued support from our parent company, we are cautiously optimistic, barring unforeseen circumstances, that the domestic market should yield positive returns for the Group.



**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**B4. Variance of actual and forecast profit**

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

**B5. Tax expense/ (income)**

	Current quarter RM'000	Year-to-Date RM' 000
Current:		
- Income tax	6,264	14,624
- Deferred tax	1,313	(68)
	<u>7,577</u>	<u>14,556</u>
<b>Prior year:</b>		
- Income tax	-	292
- Deferred tax	-	-
	<u>-</u>	<u>292</u>
<b>Total</b>	<u><u>7,577</u></u>	<u><u>14,848</u></u>

The effective tax rate on consolidated profit before tax for the current period was lower than the statutory income tax rate of 25% due mainly to the following:

- tax effect of income not taxable in determining taxable profit; and
- tax effect of double deduction on export and import marine insurance premium.

**B6. Status of corporate proposal announced**

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

**B7. Details of treasury shares**

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

	Current Year-to-Date	Accumulated Total
	-----	-----
Description of shares purchased:	Ordinary share of RM1.00 each:	
Number of shares purchased:	2,552,900	11,254,100
Number of shares cancelled:	Nil	Nil
Number of shares held as treasury shares:	2,552,900	11,254,100
Number of treasury shares resold:	Nil	Nil

**B8. Group borrowings**

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

**B9. Changes in material litigation**

Neither CHB nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries.

**CSC STEEL HOLDINGS BERHAD**  
**(Company No: 640357-X)**

**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**B10. Dividend recommended by Directors**

The Board of Directors has recommended a final single tier system of dividend of 8% or 8 sen per share for the financial year ended 2015 which is subject to the approval of the shareholders in the forthcoming annual general meeting.

**B11. Earnings per share**

The basic earnings per share and diluted earnings per share for the current quarter and cumulative year to date are computed as follows:-

	Current Quarter	Current Year To-date
Profit/(Loss) attributable to equity holders of the parent (RM'000)	<u>28,525</u>	<u>54,602</u>
Weighted average number of shares in issue ('000)	<u>368,775</u>	<u>370,104</u>
Basic earnings/(loss) per share (sen)	<u>7.74</u>	<u>14.75</u>
Diluted earnings/(loss) per share (sen)	<u>7.74</u>	<u>14.75</u>

**B12. Notes to the Consolidated Statement of Comprehensive Income**

	<b>Current Quarter Ended 31-Dec-15 RM'000</b>	<b>Financial Year To Date 31-Dec-15 RM'000</b>
a) Other income	960	5,185
b) Provision for write off/(reversal) of receivable	(16,884)	(12,920)
c) Provision for write off of inventories	-	1,405
d) Gain/(loss) on disposal of quoted investments or properties	-	-
e) Impairment of assets	-	-
f) Foreign exchange gain or (loss)	6,310	10,474
g) Gain/(loss) on derivatives	-	-
h) Exceptional items	-	-

**CSC STEEL HOLDINGS BERHAD**  
**(Company No: 640357-X)**

**Notes on the Quarterly Report- Twelve Months Ended 31 December 2015**

**B13. Disclosure of realised and unrealised profits**

	Current financial period/financial year (RM'000)	As at end of last financial year (RM'000)
Total retained earnings of the Group		
- Realised	407,247	367,003
- Unrealised	<u>(22,103)</u>	<u>(21,566)</u>
	385,144	345,437
Less: Consolidation adjustment	<u>(17,015)</u>	<u>(20,798)</u>
As per consolidated account	<u><u>368,129</u></u>	<u><u>324,639</u></u>

By order of the Board  
Mr. Huang, Chun-Hui  
Group Managing Director  
22nd February 2016