

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

**A1 Basis of Preparation**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024.

The explanatory notes attached to these condensed consolidated 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 31 December 2024.

The significant accounting policies and methods of computation adopted are consistent with those of the audited financial statements for the year ended 31 December 2024, except for the adoption of the following new MFRSs, Amendments to MFRSs and Interpretations which are effective for annual periods beginning on or after 1 January 2025:

	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to <i>MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above standards, amendments and annual improvements do not have significant impact on the financial reporting of the Group.

**A2 Audit Report of Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2024 was not qualified.

**A3 Seasonal or cyclical factors**

The Group faces minor seasonal fluctuations during the major festive season's celebrations.

**A4 The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence**

There was no unusual item in the quarterly financial statement under review.

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**A5 Changes in estimates**

There are no significant changes in the estimates of amount, which give a material effect in the current interim period.

**A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

No issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

For the financial year to date, the Company repurchased 3,418,800 of its issued share capital from the open market at an average price of RM0.338 per share. The total consideration paid was RM1,156,603. These shares are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016

**A7 Dividends paid (aggregate or per share) separately for ordinary share and other shares**

A second single-tier interim dividend of 0.5 sen per ordinary share, amounting to RM1,795,342 in respect of the financial year ended 31 December 2024 was paid on 26 March 2025.

**A8 Segment Information for the current financial year to date**

	<u>Trading</u> RM'000	<u>Manufacturing</u> RM'000	<u>Investment</u> RM'000	<u>Elimination</u> RM'000	<u>Total</u> RM'000
<b>Revenue</b>					
External Sales	117,838	351,700	946	-	470,484
Inter-segment revenue	2,074	31,252	13,571	(46,897)	-
<b>Total Revenue</b>	<b>119,912</b>	<b>382,952</b>	<b>14,517</b>	<b>(46,897)</b>	<b>470,484</b>
<b>Segment Result</b>	<b>(484)</b>	<b>23,175</b>	<b>7,997</b>	<b>(9,125)</b>	<b>21,563</b>
<b>Profit from operations</b>					<b>21,563</b>
Finance costs					(3,657)
Interest Income					1,236
Share of results of associates					6,452
<b>Profit before tax</b>					<b>25,594</b>

No analysis by geographical area has been presented as its year to date contribution was less than 10% to the combined results of all segments revenue or results or assets.

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

The valuation of land & buildings has been brought forward, without amendment from the previous annual financial statement.

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**A10 Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter under review.

**A11 The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations**

There were no changes in the composition of the Company for the financial period under review.

**A12 Changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2024**

As at the date of this announcement, there were no material contingent liabilities incurred by the Group which, upon becoming enforceable, may have a material impact on the financial position of the Group.

**A13 Capital commitments**

	As at 31/12/2025
	RM'000
<b>Property, plant and equipment</b>	
Authorized and contracted for	295
Authorized but not contracted for	96

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (PART A OF APPENDIX 9B)**

**B1 Review of performance of the company and its principal subsidiaries for the current quarter and financial year to date (“YTD”)**

	Individual Period (4 <sup>th</sup> quarter)		Increase / (Decrease)		Cumulative Period		Increase / (Decrease)	
	Current Year Quarter 01.10.2025 to 31.12.2025 RM'000	Preceding Year Corresponding Quarter 01.10.2024 to 31.12.2024 RM'000	RM'000	%	Current Year to-date 01.01.2025 to 31.12.2025 RM'000	Preceding Year Corresponding Period 01.01.2024 to 31.12.2024 RM'000	RM'000	%
Revenue	123,349	117,271	6,078	5.2	470,484	476,043	(5,559)	(1.2)
Profit from operations	8,826	6,249	2,577	41.2	21,563	13,356	8,207	61.4
Profit before tax	12,349	4,898	7,451	152.1	25,594	15,834	9,760	61.6

For the current quarter under review, the Group recorded revenue of RM123.3 million, representing an increase of 5.2% compared to RM117.3 million in the corresponding quarter of the previous financial year. The improvement was mainly attributable to higher sales volume, which partially offset the impact of lower average selling prices during the quarter.

Correspondingly, the Group registered a profit from operations of RM8.8 million, compared to RM6.2 million in the same quarter last year, reflecting stronger operating performance and improved gross margins. Notwithstanding softer average selling prices, the higher sales volume achieved, together with lower unit production costs, enabled the Group to preserve margins and deliver improved operating profitability. As a result, the Group recorded a Profit Before Tax (“PBT”) of RM12.3 million, significantly higher than RM4.9 million in the previous year’s corresponding quarter, supported primarily by improved operating results and lower finance costs.

On a year-to-date basis, the Group’s revenue stood at RM470.5 million, representing a marginal decline of 1.2% compared to RM476.0 million in the corresponding period of the previous financial year. The lower revenue was mainly due to softer average selling prices earlier in the year amid a more competitive market environment, partially mitigated by higher sales volume.

Despite the slight decline in revenue, the Group’s profit from operations increased by 61.4% to RM21.6 million, supported by higher throughput, improved operating efficiency and disciplined cost management. The improvement in profitability was primarily driven by improved operating performance and was further supported by a stronger contribution from associates compared to the corresponding period of the previous financial year. Consequently, the Group achieved a YTD PBT of RM25.6 million, representing an increase of 61.6% compared to RM15.8 million in the corresponding period of the previous financial year.

**B2 Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter**

	Current Year Quarter 01.10.2025 to 31.12.2025	Immediate Preceding Quarter 01.07.2025 to 30.09.2025	Changes	
			RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	123,349	123,813	(464)	(0.4)
Profit from operations	8,826	8,841	(15)	(0.2)
Profit before tax	12,349	10,123	2,226	22.0

For the quarter ended 31 December 2025, the Group recorded revenue of RM123.3 million, representing a marginal decrease of 0.4% compared to RM123.8 million in the immediate preceding quarter, mainly due to lower sales volume during the quarter.

Profit from operations remained stable at RM8.8 million, compared to RM8.8 million recorded in the immediate preceding quarter, reflecting continued cost discipline and stable margin performance notwithstanding the lower sales volume.

Consequently, the Group recorded a Profit Before Tax ("PBT") of RM12.3 million, representing an increase compared to RM10.1 million in the immediate preceding quarter, mainly attributable to a higher share of profit from associates and lower finance costs during the quarter

**B3 Prospects**

The global steel market continues to face a challenging operating environment amid moderate global economic growth, evolving monetary policies and uneven industrial recovery across regions. Competitive pressures remain elevated, particularly due to capacity additions in major steel-producing markets and the impact of trade measures and shifting trade flows, which continue to affect pricing and margin conditions across the industry. In addition, volatility in foreign exchange markets and movements in commodity prices may continue to influence demand patterns and cost structures.

In Malaysia, the operating environment for manufacturers remains mixed. While domestic economic activity continues to be supported by ongoing infrastructure development and relatively resilient domestic demand, manufacturers continue to face cost pressures arising from higher energy, logistics and labour costs, as well as regulatory and compliance requirements. These factors are expected to continue exerting pressure on operating margins within the steel and manufacturing sectors.

Against this backdrop, the Group's performance for the financial year ended 31 December 2025 reflects disciplined operational execution in a competitive environment. As the Group enters 2026, market conditions are expected to remain challenging, with demand visibility and pricing dynamics continuing to be influenced by prevailing economic and industry developments.

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**B3 Prospects** *(continue)*

Accordingly, the Group will continue to prioritise prudent cash flow management and disciplined operational execution, with a focus on effective inventory control, procurement discipline, cost efficiency initiatives and working capital optimisation to preserve financial stability and safeguard stakeholders' interests. Management will closely monitor market and policy developments and respond, where necessary, through appropriate operational measures to manage the evolving operating environment.

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

Not applicable

**B5 Tax expenses**

	Current Quarter 31/12/2025 RM'000	Current Year To Date 31/12/2025 RM'000
Current taxation	1,336	3,623
Deferred taxation	292	1,061
In respect of prior years	-	(65)
	1,628	4,619

**B6 The status of corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the date of issue of the quarterly report.**

There were no corporate proposals announced at the date of this announcement.

**B7 Group bank borrowings:**

**Total group borrowings as at 31 December 2025 are as follows:-**

RM'000	Short Term Borrowing	Long Term Borrowing
<b>Denominated in Ringgit Malaysia:</b>		
Secured	26,498	3,594
Unsecured	31,055	-
<b>Denominated in US Dollar:</b>		
Secured	-	-
Unsecured	-	-
<b>Total Bank Borrowings</b>	<b>57,553</b>	<b>3,594</b>

**B8 Material litigation since the date of the last annual statement of financial which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report**

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.

**B9 Dividend**

The Board declared a single tier interim dividend of 0.75 sen per ordinary share, amounting to RM2,667,369 in respect of the financial year ended 31 December 2025.

The entitlement of the single-tier interim dividend will be determined based on the shareholders registered in the record of depositors as at 16 March 2026 and the date of payment will be on 26 March 2026.

**B10 Earnings per share**

**Basic**

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Current Year Quarter 31/12/2025	Preceding Year Quarter 31/12/2024	Current Year to date 31/12/2025	Preceding Year to date 31/12/2024
Net profit attributable to ordinary shareholders (RM'000)	10,721	3,503	20,975	12,255
Weighted average number of ordinary shares in issue ('000)	357,351	359,068	357,351	359,068
Basic earnings per share (sen)	3.01	0.98	5.87	3.41

**Diluted**

The diluted earnings per share is not disclosed as it is not applicable.

**B11 Notes to Condensed Consolidated Statement of Comprehensive Income**

Net profit is arrived at after take in the following items:	<b>Current Quarter</b> 31/12/2025 RM'000	<b>Current Year To Date</b> 31/12/2025 RM'000
(a) Interest income	354	1,236
(b) Other income	1,710	6,176
(c) Interest expense	(869)	(3,657)
(d) Depreciation and amortization	(2,391)	(9,068)
(e) Provision (for) and written down of receivables	867	(27)
(f) Provision (for) and written down of inventories	(298)	(359)
(g) Gain / (loss) on disposal of quoted / unquoted investment / properties	-	-
(h) Impairment of assets	(1,526)	(2,041)
(i) Foreign exchange gain/(loss) - Realised and unrealized	(71)	(191)
(j) Gain / (loss) on derivatives	37	(24)
(k) Exceptional items	N/A	N/A