



## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS &amp; OTHER COMPREHENSIVE INCOME

## FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2025

(The figures have not been audited)

	Individual Quarter Ended		6 Months Year-To-Date Ended	
	31-Dec-25 RM'000	31-Dec-24 RM'000	31-Dec-25 RM'000	31-Dec-24 RM'000
Revenue	187,368	204,054	390,484	402,441
Cost of sales	(172,064)	(192,577)	(361,161)	(379,994)
Gross profit	15,304	11,477	29,323	22,447
Distribution and selling expenses	(2,538)	(2,240)	(4,711)	(4,371)
Administrative expenses	(6,888)	(7,126)	(13,655)	(13,601)
Other operating income/(expense), net	274	165	1,169	322
Net foreign exchange (loss)/gain	(409)	1,341	(629)	(1,554)
<b>Operating profit</b>	<b>5,743</b>	<b>3,617</b>	<b>11,497</b>	<b>3,243</b>
(Loss)/gain on investment in quoted shares	(150)	(250)	700	(500)
Interest income	642	353	1,095	823
Profit before financing and income taxes	6,235	3,720	13,292	3,566
Interest on borrowings	(1,111)	(1,614)	(2,393)	(3,843)
Interest on lease liabilities	(126)	(171)	(263)	(353)
<b>Profit/(Loss) before tax</b>	<b>4,998</b>	<b>1,935</b>	<b>10,636</b>	<b>(630)</b>
Tax	(1,239)	(710)	(2,422)	(417)
<b>Profit/(Loss) for the period</b>	<b>3,759</b>	<b>1,225</b>	<b>8,214</b>	<b>(1,047)</b>
<b>Other comprehensive income</b>				
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-
<b>Total profit/(loss) and other comprehensive income for the period</b>	<b>3,759</b>	<b>1,225</b>	<b>8,214</b>	<b>(1,047)</b>
Earnings/(loss) per share attributable to owners of the Company (sen):				
- Basic	1.15	0.37	2.51	(0.32)
- 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 2025).

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

(The figures have not been audited)

	<b>As at 31-Dec-25 RM'000</b>	<b>As at 30-Jun-25 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	299,346	303,192
Right-of-use assets	38,521	41,019
Intangible assets	20,000	20,000
Deferred tax assets	782	810
	<b>358,649</b>	<b>365,021</b>
<b>Current Assets</b>		
Inventories	201,354	199,331
Trade and other receivables	75,570	86,944
Financial assets at fair value through profit or loss	2,500	1,800
Amount owing by holding company	2,056	1,685
Amount owing by related companies	1	-
Tax recoverable	2,865	3,096
Derivative financial assets	188	474
Cash and bank balances	46,469	56,174
	<b>331,003</b>	<b>349,504</b>
<b>Less: Current Liabilities</b>		
Trade and other payables	34,071	55,173
Contract liabilities	89	67
Amount owing to holding company	7	7
Amount owing to related companies	192	212
Tax payable	99	-
Derivative financial liabilities	273	567
Borrowings	67,203	77,992
Lease liabilities	4,654	4,560
	<b>106,588</b>	<b>138,578</b>
<b>Net Current Assets</b>	<b>224,415</b>	<b>210,926</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	41,899	40,003
Deferred income	7,583	7,757
Borrowings	954	1,422
Lease liabilities	6,926	9,277
	<b>57,362</b>	<b>58,459</b>
	<b>525,702</b>	<b>517,488</b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	219,417	219,417
Asset revaluation reserve	62,269	62,269
Retained earnings	244,016	235,802
<b>Total Equity</b>	<b>525,702</b>	<b>517,488</b>
<b>Net assets per share attributable to owners of the Company</b>	<b>RM1.61</b>	<b>RM1.58</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2025).



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2025**

(The figures have not been audited)

	<b>6 Months Year-To-Date Ended</b>	
	<b>31-Dec-25</b>	<b>31-Dec-24</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit	11,497	3,243
Adjustments for :		
- Depreciation	9,595	9,789
- Loss on disposal of plant and equipment	32	33
- Writeback of impairment on receivables	-	(6)
- Amortisation of deferred income	(174)	(174)
- Net unrealised loss on foreign exchange	292	52
Operating profit before changes in working capital	21,242	12,937
Changes in working capital :		
- Inventories	(2,023)	46,196
- Trade and other receivables	10,960	27,452
- Trade and other payables	(21,687)	(77,355)
- Contract liabilities	22	(178)
- Intercompanies balances	308	982
- Tax paid	(168)	(1,326)
Net cash flows generated from operating activities	8,654	8,708
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Purchase of property, plant and equipment	(3,283)	(5,074)
- Proceeds from disposal of property, plant and equipment	-	89
- Interest received	1,095	823
Net cash flows used in investing activities	(2,188)	(4,162)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Proceeds from bank borrowings	136,543	197,818
- Repayment of bank borrowings	(147,801)	(220,031)
- Payment of lease liabilities	(2,257)	(2,167)
- Interest paid	(2,656)	(4,196)
Net cash flows used in financing activities	(16,171)	(28,576)
Net change in cash and cash equivalents	(9,705)	(24,030)
Cash and cash equivalents at beginning of the financial year	56,174	69,291
Cash and cash equivalents at end of the financial year	46,469	45,261

**(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2025).**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2025**

(The figures have not been audited)

	<u>Attributable to owners of the Company</u>				
	<u>Non-distributable</u>				
	Share Capital RM'000	Warrant Reserves RM'000	Asset Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000
<b><u>6 months ended 31 December 2025</u></b>					
At 1 July 2025	219,417	-	62,269	235,802	517,488
Comprehensive income for the financial period					
- Profit for the financial period	-	-	-	8,214	8,214
Other comprehensive income for the financial period					
- Revaluation surplus on property, plant and equipment, net of tax	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	8,214	8,214
As at 31 December 2025	219,417	-	62,269	244,016	525,702
<b><u>6 months ended 31 December 2024</u></b>					
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

(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 2025).



## 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 2025 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 2025.

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 2025, except for the following new amendments to the MFRS (“standards”) effective for financial year beginning after 1 July 2025 which the Group has since adopted.

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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

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 2026.

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments & Contracts Referencing Nature-dependent Electricity
- Annual Improvements amendments – Volume 11: to MFRS 1, 7, 9, 10, & 107.

#### 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.

## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### A2 Declaration of audit qualification

The audit report of the Group and the Company in respect of the annual financial statements for the financial year ended 30 June 2025 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.

### 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 material 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 2025	30 Jun 2025
Total interest-bearing debts in RM'million	68.2	79.4
Adjusted Shareholders' Funds in RM'million	547.6	536.7
Absolute Gearing Ratio	0.12	0.15

On the total interest-bearing debts as at 31 December 2025, around RM59.0 million is tied to trade-financing drawn under the respective debenture at its steel-tube and cold-rolled subsidiaries. Debts of RM9.2 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
<u>Revenue</u>				
Total revenue	254,498	152,106	3,823	410,427
Inter-segment elimination	(16,120)	-	(3,823)	(19,943)
External revenue	238,378	152,106	-	390,484
Pre-tax profit/(loss)	8,288	2,042	306	10,636
Segment assets	428,752	253,423	3,642	685,817
		RM'000		
Segment assets		685,817		
Deferred tax assets		782		
Derivative assets		188		
Tax recoverable		2,865		
		<u>689,652</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 year-to-date sales by geographic segments are as follows:

	Cold Rolled	Steel Tube	Total
	RM'000	RM'000	RM'000
<u>Year-to-Date Revenue by Geographic Areas</u>			
Malaysia	218,392	128,730	347,122
ASEAN	-	23,112	23,112
Non-ASEAN	19,986	264	20,250
Total External Revenue	238,378	152,106	390,484

\*ASEAN: Association of South East Asian Nations

**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 2025 and adjusted for the current financial year's depreciation and impairment-provisions where appropriate to reflect the current period's ending net carrying value.



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

**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 2025:

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	2,500.0	-	-
Foreign Currency Forwards			
as Assets (not hedge accounted)	-	121.1	-
as Assets (hedge accounted)	-	66.9	-
as Liabilities (not hedge accounted)	-	-	-
as Liabilities (hedge accounted)	-	(273.2)	-
<b>Total</b>	<b>2,500.0</b>	<b>(85.2)</b>	<b>-</b>

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.

**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.



## Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134

### 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 RM2.3 million and RM0.6 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 2026	FY 2025	Changes		FY 2026	FY 2025	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	187,368	204,054	(16,686)	-8.2	390,484	402,441	(11,957)	-3.0
Operating Profit/(Loss)	5,743	3,617	2,126	58.8	11,497	3,243	8,254	254.5
Profit/(Loss) Before Interest and Tax	6,235	3,720	2,515	67.6	13,292	3,566	9,726	272.7
Profit/(Loss) Before Tax	4,998	1,935	3,063	158.3	10,636	(630)	11,266	1,788.3
Profit/(Loss) After Tax	3,759	1,225	2,534	206.9	8,214	(1,047)	9,261	884.5
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,759	1,225	2,534	206.9	8,214	(1,047)	9,261	884.5

For the 2<sup>nd</sup> financial quarter ended 31 December 2025, the Group registered a lower revenue at RM187.4 million (compared to the preceding year's corresponding quarter at RM204.1 million), mainly due to lower unit selling prices (10% lower for both Cold Rolled (CRC) and Steel Tube segments) in reflection of the downward steel-price trend. Against the comparative period, sales volume for CRC is down 10% while Steel Tube is up 35%.

For the current quarter, the Steel Tube segment's gross profit (adjusted for outbound delivery costs) is up 3-folds from higher sales volume and production throughput; whilst, the CRC segment's gross profit (adjusted for outbound delivery costs) is down 17% as export sales dwindled to zero due to barriers from US tariff-war. At Group level, gross profit (adjusted for outbound delivery costs) is up by around 37% against the comparative period due to higher contribution from the Tube segment.

Consequently, the Group recorded a sharply higher operating profit of RM5.7 million for the current quarter (against an operating profit of RM3.6 million in the comparative period) despite incurring an FX loss of RM0.4 million in the current period (compared to an FX-gain of RM1.3million in the corresponding period).

With a higher interest income and lower interest cost for the current quarter, the Group recorded a pre-tax profit of RM5.0 million against the comparative period's pre-tax profit of RM1.9 million. Post-tax profit stands at RM3.8 million against the comparative period's post-tax profit of RM1.2 million.

The Group recorded a higher EBITDA of RM9.3 million in the current quarter compared to the preceding year's corresponding quarter's EBITDA of RM7.2 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 FY2026	Qtr1 FY2026	Changes	
	RM'000	RM'000	RM'000	%
Revenue	187,368	203,116	(15,748)	-7.8
Operating Profit/(Loss)	5,743	5,754	(11)	-0.2
Profit/(Loss) Before Interest and Tax	6,235	7,057	(822)	-11.6
Profit/(Loss) Before Tax	4,998	5,638	(640)	-11.4
Profit/(Loss) After Tax	3,759	4,455	(696)	-15.6
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,759	4,455	(696)	-15.6

The Group's revenue for the current period at RM187.4 million is down around 8% compared to the immediate-preceding period at RM203.1 million. This is attributed to the lower sales volume by the Cold Rolled (CRC) segment (down 16%) but supplemented by higher volume from the Steel Tube segment (up 9%) compared to the preceding period. Unit selling prices is 2% lower for Steel Tube segment while being flat for the CRC segment in the current period.

The Steel Tube segment's gross profit (adjusted for outbound delivery costs) is up by around 26% from higher throughput in the current quarter; whilst, the CRC segment's gross profit (adjusted for outbound delivery costs) is down nearly 5% from lower throughput in the absence of any export-sales.

Consequently, the Group recorded a flat operating profit of RM5.7 million for the current period compared to the preceding period. The Group however recorded a lower pre-tax profit of RM5.0 million and a post-tax profit of RM3.8 million (compared to the preceding period's pre-tax profit of RM5.6 million and a post-tax profit of RM4.5 million) due the mark-to-market loss on investment-held in the current period (compared to a gain in the preceding period).

The Group recorded a slightly lower EBITDA of RM9.3 million in the current quarter compared to the immediate-preceding quarter's EBITDA of RM10.3 million.



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

**B3 Prospects for the remaining financial year**

Coinciding with our current 2<sup>nd</sup> financial quarter, the Nation's 4<sup>th</sup> fiscal quarter's GDP grew strongly at 6.3% -supported by in-bound tourism, front-loading net trade surpluses, and diverted FDIs amid global tariff-chaos and geopolitical fractures. The signing of the 'Agreement on Reciprocal Trade' on 26 October 2025 locking US-tariff at 19%-tops helped calm domestic sentiments (although steel-tariff remains steadfast at 50%). The Group continued with its positive financial performance into the 2<sup>nd</sup> financial quarter but at a weaker pace with soften sales-volume momentum and narrower margins (compared to the preceding period): somewhat disconnected from the Nation's strong GDP growth.

The Nation's sweeping reforms particularly the expanded-SST have pushed-up costs to crushing levels across all sectors. Businesses that are unable to adjust prices -such as in the steel industry-not only suffer from margin suppression but also diminished local-market-competitiveness against surging foreign imports fuelled by the sharply stronger Ringgit. The rising Ringgit trend also impairs carrying inventories and trims export competitiveness in an already difficult global-market. Our export (ex-Singapore) was down to zero for the current quarter. Adding to injury, the Authorities launched a nationwide crackdown on haulage overload in October with new tightened measures and sustained enforcement. This has resulted in the shortage of haulage availability, doubling of transportation cost, and missed delivery-schedules (on both in & out-bound goods).

Against these conditions, the outlook for the remaining financial year is expected to stay challenging with significant downward pressure. The next 3<sup>rd</sup> financial quarter saddles two major festive periods which will likely yield lower sales and muted performance; whilst, the 4<sup>th</sup> financial quarter will likely continue to carry downside risks from intense foreign competition, and a softer economy (as global-trade weakens, and exports burdened by the stronger Ringgit compared to peers). The US-Court's nullification of Trump's sweeping tariffs on 20<sup>th</sup> Feb 2026 is expected to cause significant short-term volatility, although its Section-232 tariff on steel is unaffected. However, any meaningful rebound in steel prices or pump-priming on projects (under the 13<sup>th</sup> Malaysia Plan) involving steel will have an upside on the Group's performance. Regardless, the Group remains focused in navigating these challenges with hope of delivering better results for the current financial year compared to the last.

**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 2026 RM'000	FY 2025 RM'000	FY 2026 RM'000	FY 2025 RM'000
Depreciation:				
- property, plant and equipment	3,566	3,670	7,097	7,314
- right-of-use assets	1,249	1,237	2,498	2,475
Interest income	(642)	(353)	(1,095)	(823)
Interest costs on:				
- borrowings	1,111	1,614	2,393	3,843
- lease liabilities	126	171	263	353
FX differences loss/(gain)	(1,015)	1,377	(706)	204
FX derivatives (gain)/loss	1,424	(2,718)	1,335	1,350

**B6 Taxation**

Taxation comprises :

	Individual Qtr2 ended 31 Dec		Cumulative 6 months YTD ended 31 Dec	
	FY 2026 RM'000	FY 2025 RM'000	FY 2026 RM'000	FY 2025 RM'000
Current tax (expense)/credit				
Current period	(381)	(131)	(498)	(238)
Deferred tax (expense)/income				
Current period	(858)	(579)	(1,924)	(179)
	(1,239)	(710)	(2,422)	(417)

**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 2025, which are denominated entirely in Ringgit Malaysia, are as follows:

	<u>RM'000</u>
<u>Short-term borrowing</u>	
Secured	67,203
<u>Long-term borrowings:</u>	
Secured	954
Total borrowings	<u>68,157</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 2025	79,414
<u>Cash Flows:</u>	
Inflows from new debts	136,543
Outflows on repayment	(147,800)
Closing balance as at 31 December 2025	<u>68,157</u> =====

The above bank borrowings comprised of trade-financing (short-term) and term-loans (long-term). The Group's bank-gearing ratio is around 0.12 times. The Group met all its banks' covenants for the current period ended. The Steel-Tube's DSCR (Debt Service Cover Ratio) covenant, measured only at financial year-end, was short in the preceding financial year-end, and remains short on a 12-months rolling. In that regard, the reclassification of RM4.2 million non-current liabilities to current liabilities (in compliance with MFRS 101) continues into the current period.

The Group does not provide any financing-arrangement for its suppliers that may warrant further disclosure under MFRS7.



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

**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.

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

Natural Hedged

		Gain/(Loss) RM'ooo		
		Unrealized	Realized	Total
Obligations: Purchases in USD	Taken-up in Inventory / COGS	3	36	39
Rights: Cash & Receivables in USD	FX	(3)	(36)	(39)
Net Impact		-	-	-

Note:

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

Unhedged

		Gain/(Loss) RM'ooo		
		Unrealized	Realized	Total
FX Forward Contracts (non-designated) for SGD	Taken-up in FX	121	0	121
Rights: Cash & Receivables in SGD	FX	(374)	(254)	(628)
		(253)	(254)	(507)

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

		Gain/(Loss) RM'ooo		
		Unrealized	Realized	Total
FX Forward Contracts (designated)	Taken-up in FX	(206)	(1,250)	(1,456)
Obligations: Purchases in USD	FX	170	1,203	1,373
Net Impact		(36)	(47)	(83)



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

**B11 FX Risks & Outstanding Derivatives (continued)**

**Outstanding Derivatives**

Details on the Group’s outstanding derivative FX forward contracts designated for fair-value hedge accounting as at 31 December 2025 are outline below:

Non-designated

FX Forward Contracts (SGD/RM) as non-designated hedging instrument

Maturity	Notional Value '000		Fair Value RM'000	
	Short SGD	Long SGD	Financial Asset	Financial Liability
Less than 1 year	1,325	-	121.1	-

Designated

FX Forward Contracts (USD/RM) as designated hedging Instrument

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	9,559	500	66.9	273.2	Matching	500	9,559	273.2	66.9

- (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.

- (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.



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

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

Off balance sheet financial instruments as at the date of this announcement are bank guarantees issued by its principal subsidiaries amounting to RM3.6 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 RM65.9 million as at 31 December 2025.

**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 20 June 2025. Culminating from that, the Court had fixed the Judicial Review Application to be heard on 8 December 2025, but has since rescheduled to 16 March 2026.

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 2025.

**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 2026	FY 2025	FY 2026	FY 2025
Profit/(Loss) attributable to owners (RM'000)	3,759	1,225	8,214	(1,047)
Weighted average number of ordinary shares in issue ('000)	327,058	327,058	327,058	327,058
Basic earnings/(loss) per share (sen)	1.15	0.37	2.51	(0.32)

(ii) Diluted earnings per ordinary share

No diluted earnings per share is presented since the warrants had expired on 26 January 2024.