

**HTVB**

**HIAP TECK VENTURE BERHAD**

Registration No. 199701005844 (421340-U)

**协德集团**

**ANALYSTS' BRIEFING  
Q2 / FY 2025  
PERFORMANCE REVIEW**

**28 MARCH 2025**

**CORPORATE  
STRUCTURE  
(31 JANUARY 2025)**

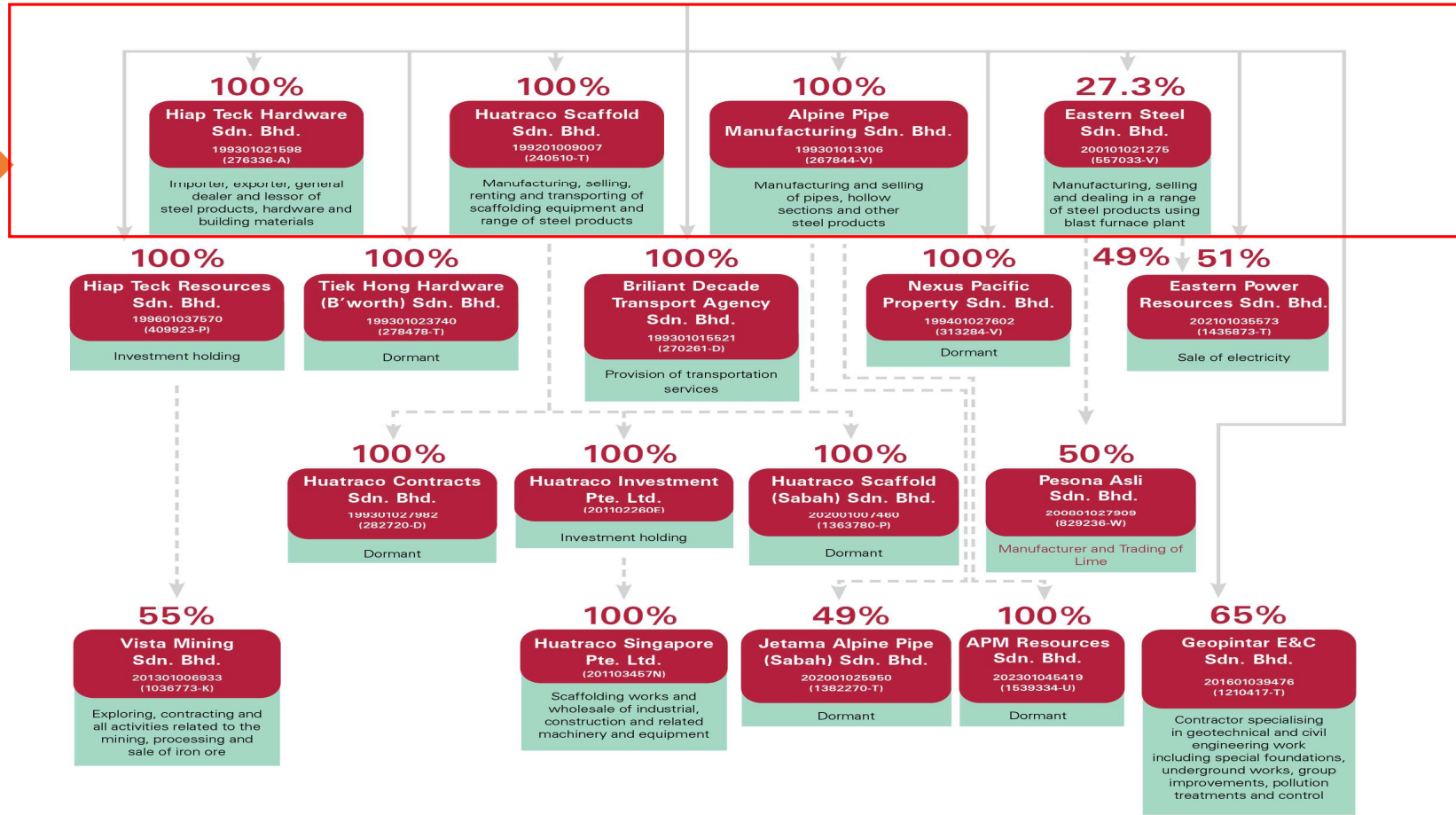
**Key Operating Units**



**HTVB**

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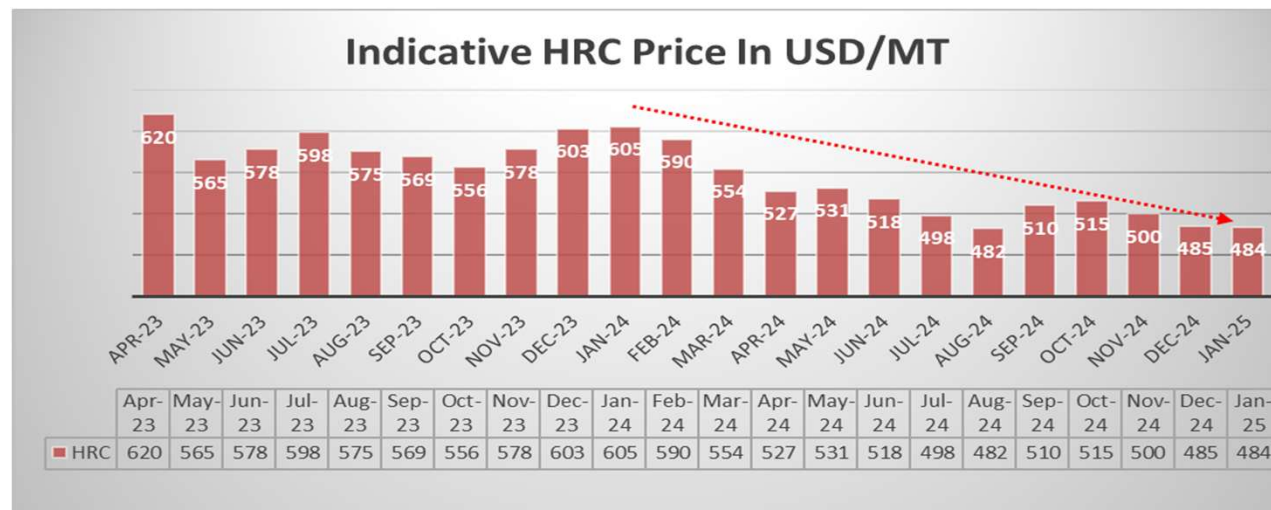


# THE MACRO ENVIRONMENT



- The Malaysian economy grew 5.4% in 3Q and **5.0%** in 4Q 2024, achieving **5.1%** full-year growth (2023: 3.7%).
- The construction sector surged 22.9% in 3Q and **23.1%** in 4Q, posting **20.2%** growth for the year (2023: 8.4%).

- Steel prices have been on a prolonged downtrend since early 2024.
- Following China's stimulus announcements in September, prices rebounded from an August low of USD482 to USD515 in October but later corrected to **USD484**, marking a decline of approximately USD121 or 20% since January 2024.



## HTVB GROUP PERFORMANCE REVIEW - 2Q FY25 vs 2Q FY24 (corresponding quarter)



(RM'M)	2Q FY25	2Q FY24	Variance
Revenue	348.3	459.5	-24%
<b>Gross Profit</b>	<b>14.1</b>	<b>34.4</b>	<b>-59%</b>
GPM/(GLM)	4.0%	7.5%	
Profit/(Loss) before Interest	0.3	22.6	-99%
Finance Costs	(5.3)	(5.0)	
PBT/(LBT)	(5.0)	17.6	-128%
<b>ESSB</b>	<b>25.3</b>	<b>8.4</b>	<b>200%</b>
<b>NPBT/(NLBT)</b>	<b>20.3</b>	<b>26.0</b>	<b>-22%</b>
NPAT	20.7	21.9	-5%
Net Gearing Ratio	0.34	0.42	
EPS (sen)	1.99	1.23	
NTA (RM)	0.82	0.74	

- Revenue declined by **24%**, mainly due to lower sales volumes during the Chinese New Year festive season.
- Gross profit contracted as margin compression continued amid the downtrend in steel prices.
- The Group posted a lower profit before tax of **RM20.3** million versus **RM26.0** million, impacted by weaker downstream sales.
- ESSB's share of profit surged to **RM25.3** million from **RM8.4** million, driven by improved margins and higher revenue from expanded capacity utilisation, despite the adverse foreign exchange translation impact.

## HTVB GROUP PERFORMANCE REVIEW - 2Q FY2025 vs 1Q FY2025 (preceding quarter)



(RM'M)	2Q FY25	1Q FY25	Variance
Revenue	348.3	401.7	-13%
Gross Profit	14.1	6.3	124%
GPM	4.0%	1.6%	
Profit/(Loss) before Interest	0.3	(2.6)	113%
Finance Costs	(5.3)	(7.0)	
PBT	(5.0)	(9.6)	48%
ESSB	25.3	42.0	-40%
NPBT	20.3	32.4	-37%
NPAT	20.7	34.9	-41%
Net Gearing Ratio	0.34	0.39	
EPS (sen)	1.99	1.99	
NTA (RM)	0.82	0.81	

- Revenue declined by **13%**, driven by lower sales volumes following the seasonal slowdown during the Chinese New Year period.
- Gross profit improved from the preceding quarter, supported by a reduced loss in the trading division and strong performance in the scaffolding business.
- NPBT was primarily supported by ESSB's share of profit, which declined to **RM20.3** million from **RM32.4** million due to adverse foreign exchange translation impacts, despite a stronger operating profit margin.
- The balance sheet remains solid, with a net gearing ratio of **0.34x**, while NTA per share is higher at **RM 0.82**.



# Eastern Steel Sdn. Bhd.



## ESSB PERFORMANCE REVIEW – 2Q FY2025 vs 1Q FY2025 (preceding quarter)



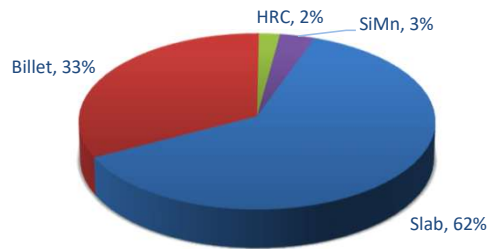
(RM'M)	2Q FY25	1Q FY25	Variance
Volume (kMT)	585.3	614.3	-8%
Revenue	1,324.1	1,364.6	-3%
Gross Profit	173.7	88.0	97%
GPM	13%	6%	
Profit before Interest/Adjustments	155.7	91.2	71%
Finance Costs	(44.2)	(42.9)	3%
Unrealized FX	(26.4)	105.8	
Adjustment	-	-	
NPAT/(NLAT)	92.8	153.8	-40%

- An **8%** decline in sales volume led to a 3% drop in revenue.
- Gross profit margin improved to **13%**, up from 6% in the previous quarter, driven by a marginal higher average selling price and lower input costs.
- FX translation loss amounted to **RM26.4** million, compared to a profit of RM105.8 million in the prior quarter, due to unfavorable exchange rate movements.
- ESSB's Q2 FY25 NPAT declined to **RM92.8** million from RM153.8 million, primarily impacted by FX translation difference.

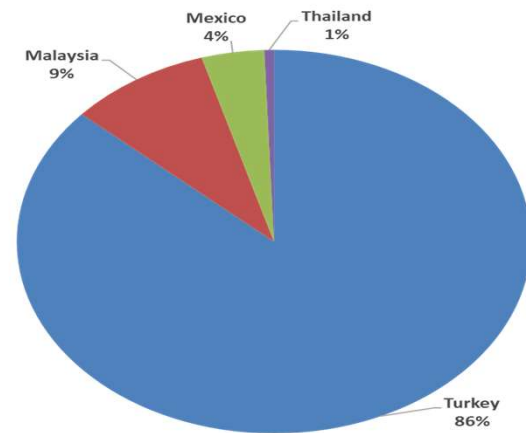
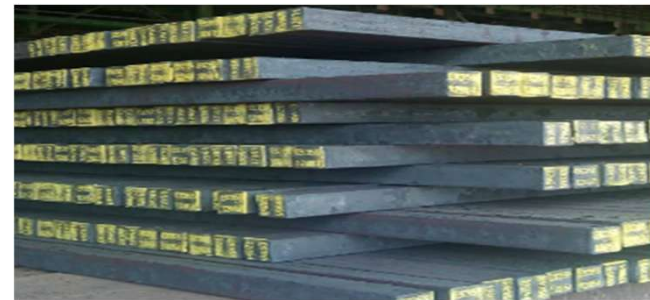
# ESSB PERFORMANCE REVIEW – 1Q FY2025



Q2 FY2025 Product Mix



■ Slab ■ Billet ■ HRC ■ SiMn



MARKET DISTRIBUTION YTD FY2025 (STEEL)



## OUTLOOK – MODERATE GROWTH AND REMAIN CAUTIOUS

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- The Group posted a net profit of RM**20.7** million for 2Q FY2025, mainly driven by ESSB, while the trading division remained impacted by subdued steel prices. The scaffolding business continued to show strong growth potential.
- Global steel markets face uncertainty following the U.S. 25% tariff on steel and aluminum imports, heightening trade disruptions. China's commitment to a 5% GDP growth target and potential crude steel production cuts offers some support for industry recovery.
- Malaysia's economy grew 5.0% in Q4 2024, bringing full-year growth to 5.1%. BNM projects 4.5%–5.5% GDP growth in 2025, with fiscal reforms aimed at long-term stability.
- MITI extended its steel industry moratorium, while MISIF warns of potential market saturation from diverted exports due to U.S. tariffs.
- The joint venture's 1450mm Hot Rolled Coil (HRC) project commenced production in January 2025, strengthening the Group's market position. The focus remains on optimizing manufacturing, particularly scaffolding, while enhancing efficiency and managing costs to navigate market challenges.



THANK YOU

