

HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

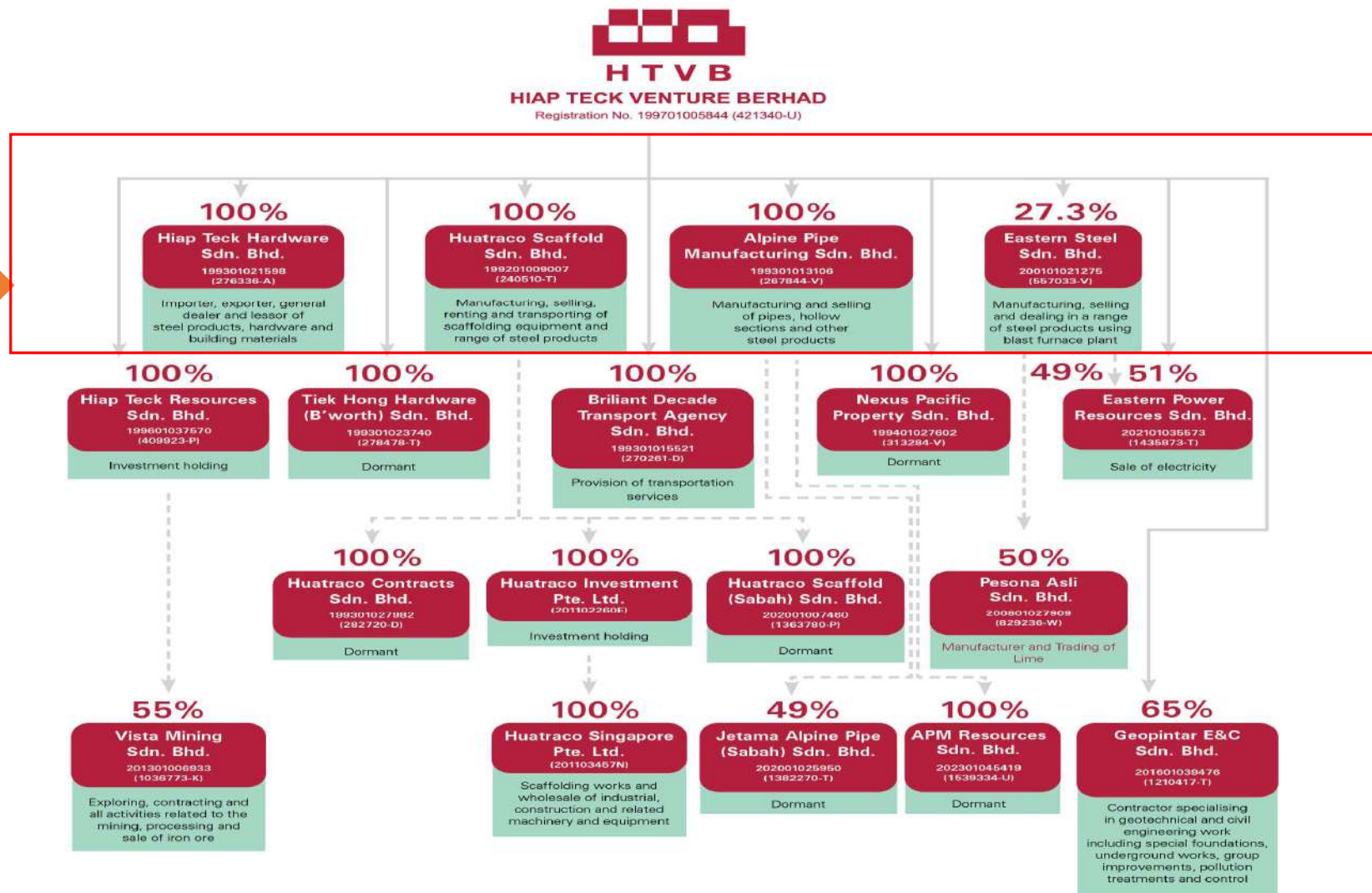
协德集团

**ANALYSTS' BRIEFING
Q4 / FY 2025
PERFORMANCE REVIEW**

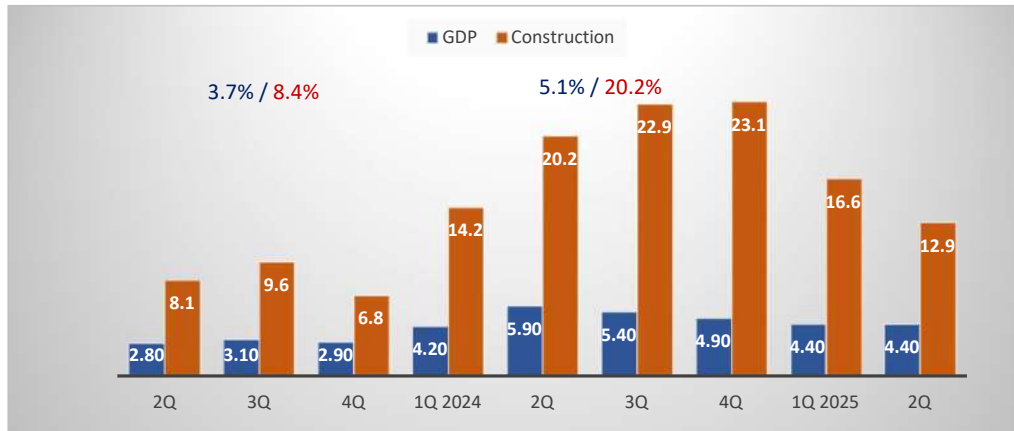
26 SEPTEMBER 2025

**CORPORATE
STRUCTURE
(31 JULY 2025)**

Key Operating Units

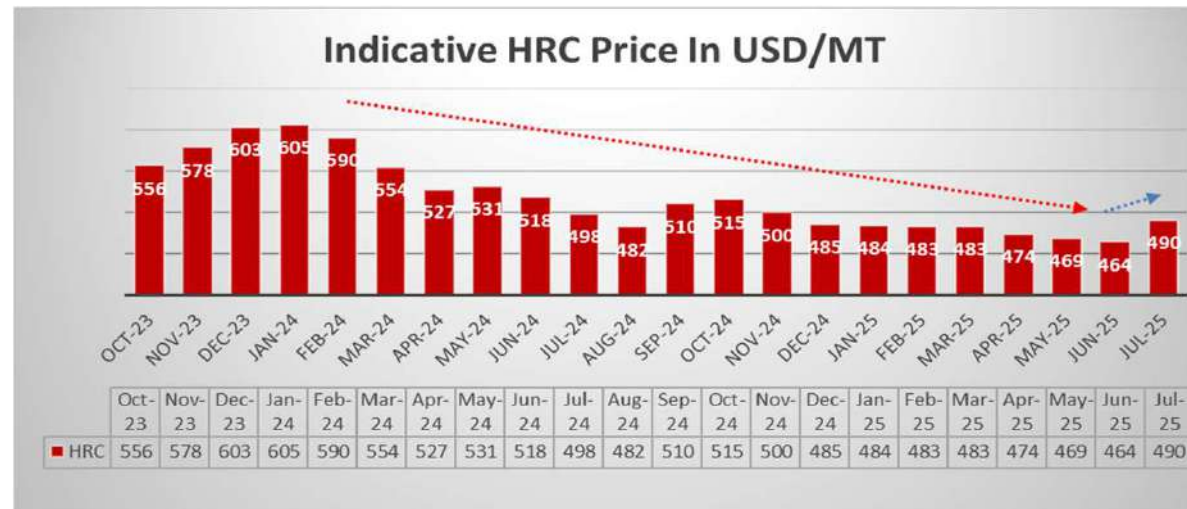


THE MACRO ENVIRONMENT



- Malaysia's economy moderated to **4.4%** growth in 2Q 2025 (vs. 5.9% in 2Q 2024), with the construction sector easing to **12.9%** (vs. 20.2%).
- For 1H 2025, GDP grew **4.4%** (vs. 5.0%), prompting the government to revise its full-year forecast to **4.0%–4.8%** from 4.5%–5.5%, citing the impact of US tariffs on trade.

- HRC prices have been on a downtrend since 2021, but the pace of decline has eased as China takes steps to cut overcapacity and reduce competition.
- China's push to tackle overcapacity in key industries has seen crude steel production falling sharply in July 2025, indicating early signs of price stabilization that are positive for the sector.



HTVB GROUP PERFORMANCE REVIEW - 4Q FY25 vs 4Q FY24 (corresponding quarter)



(RM'M)	4Q FY25	4Q FY24	Variance
Revenue	342.7	416.6	-18%
Gross Profit	1.4	16.4	-92%
GPM/(GLM)	0.4%	3.9%	
Profit/(Loss) before Interest	(9.05)	7.46	-222%
Finance Costs	(5.7)	(6.4)	
ESSB	30.2	47.8	-37%
NPBT	15.5	48.8	-68%
NPAT	19.9	47.6	-58%
Net Gearing Ratio	0.26	0.34	
EPS (sen)	1.13	2.73	
NTA (RM)	0.85	0.79	

- Revenue declined **18%**, mainly from lower ASP and reduced sales volumes.
- Gross profit weakened, largely attributable to inventory write-down of **RM 11.9 million** and margin compression.
- ESSB's profit share dropped to **RM30.2m** (from RM47.8m), impacted by deferred tax liability and unfavourable forex translation, despite steady operating margin.
- Group NPBT fell to **RM15.5m** (from RM48.8m), largely due to softer downstream performance.

HTVB GROUP PERFORMANCE REVIEW - 4Q FY2025 vs 3Q FY2025 (preceding quarter)



(RM'M)	4Q FY25	3Q FY25	Variance
Revenue	342.7	344.8	-1%
Gross Profit	1.4	13.7	-90%
GPM	0.4%	4.0%	
Profit/(Loss) before Interest	(9.05)	0.04	-22,725%
Finance Costs	(5.7)	(4.6)	
ESSB	30.2	40.9	-26%
NPBT	15.5	36.3	-57%
NPAT	19.9	34.7	-43%
Net Gearing Ratio	0.26	0.27	
EPS (sen)	1.13	1.97	
NTA (RM)	0.85	0.84	

- Revenue declined **1%**, mainly due to lower ASP.
- Gross profit dropped significantly mainly due to inventory write-down of **RM11.9 million**.
- NPBT fell to **RM15.5m** (from RM36.3m), with lower share of ESSB's profit (**RM30.2 million** vs RM40.9 million) due to provision for deferred tax liability and unfavourable forex translation, despite steady operating margin.
- Balance sheet remains healthy with net gearing at **0.26x** and higher NTA per share of **RM0.85**.



Eastern Steel Sdn. Bhd.



ESSB PERFORMANCE REVIEW – 4Q FY2025 vs 3Q FY2025 (preceding quarter)



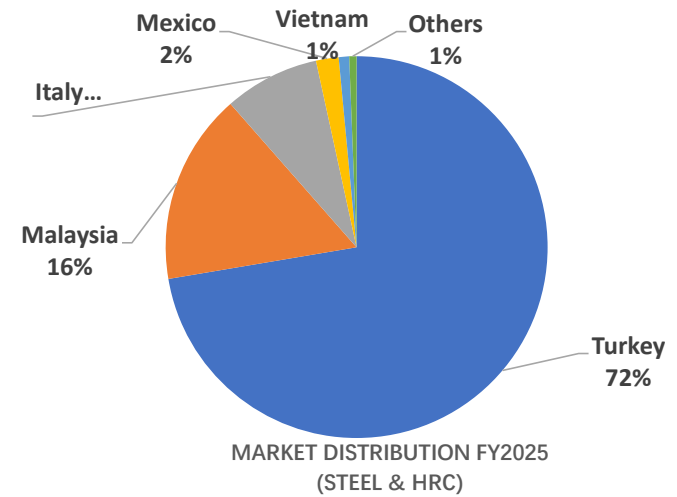
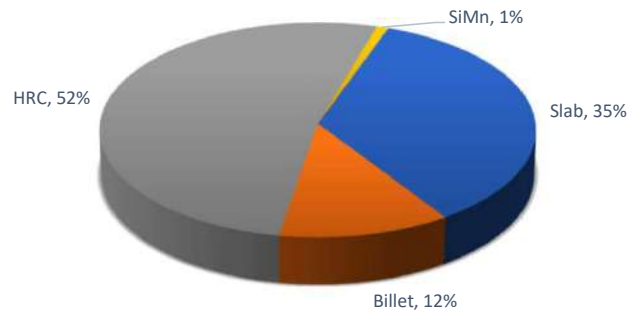
(RM'M)	4Q FY25	3Q FY25	Variance
Volume (kMT)	652.7	600.4	9%
Revenue	1,400.0	1,291.5	8%
Gross Profit	273.9	175.0	57%
GPM	20%	14%	
Profit before Interest/Adjustments	244.2	134.8	82%
Finance Costs	(40.5)	(41.3)	-2%
Unrealized FX	(7.9)	56.5	
Taxation	(85.2)	(0.3)	
NPAT	110.6	149.6	-26%

- Revenue rose **8%**, mainly driven by a 9% increase in sales volume.
- Gross profit margin improved to **20%** (from 14% in the prior quarter), supported by lower costs of sales.
- ESSB's Q4 FY2025 NPAT decreased to **RM110.6m** (from RM149.6m), primarily due to deferred tax liability and unfavourable FX translation differences.

ESSB PERFORMANCE REVIEW – 4Q FY2025



Q4 FY2025 Product Mix



OUTLOOK – MODERATE GROWTH AND REMAIN CAUTIOUS



- The Group posted a net profit of **RM19.9 million**, supported by ESSB's strong contribution, while the Trading division remained pressured by weak steel prices. The scaffolding business continued to show solid growth momentum.
- Global steel industry conditions remain challenging, with subdued demand and prices stabilising at lower levels amid supply–demand imbalances. China's output cuts and plans to phase out inefficient furnaces aim to curb overcapacity, while the U.S. tariff hike to 50% has added to market uncertainty.
- Domestically, Malaysia's economy grew 4.4% in Q2 2025, supported by consumption and investment. The OPR cut to 2.75% is expected to cushion external risks, while the moratorium on new steel licences and anti-dumping duties are set to protect local producers.
- Operationally, the JV's 1,450mm HRC line is ramping up and expected to support stronger results ahead. Manufacturing is recovering steadily, scaffolding remains robust, while Trading continues to face weak pricing. The Group remains focused on efficiency and cost optimisation to sustain resilience.



Q&A Session





THANK YOU

