

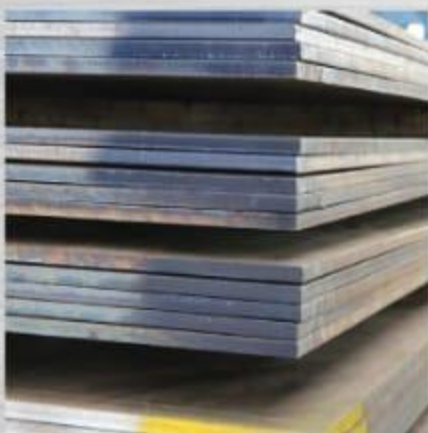


HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

协德集团



ANALYSTS' BRIEFING

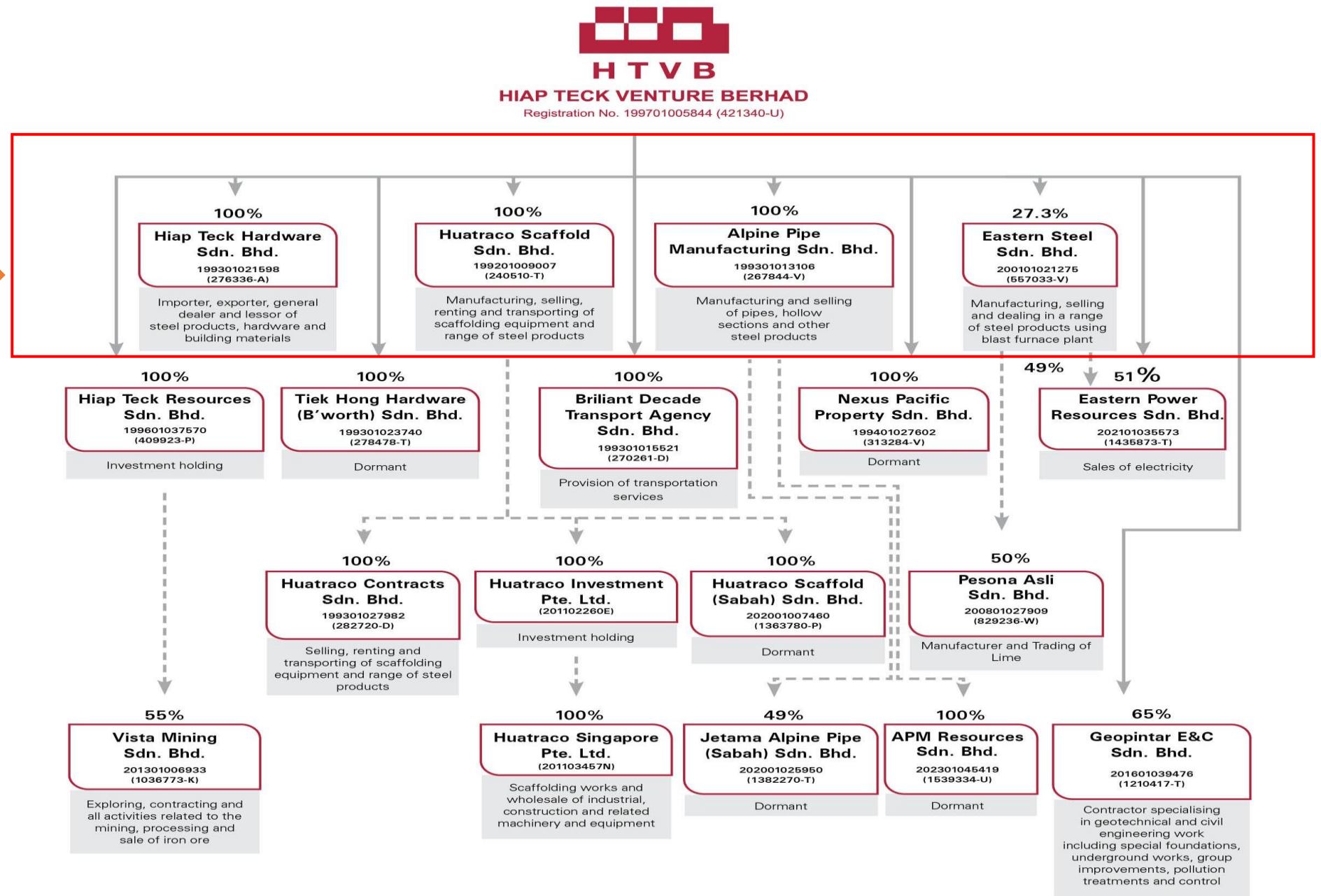
Q1 / FY 2026

PERFORMANCE REVIEW

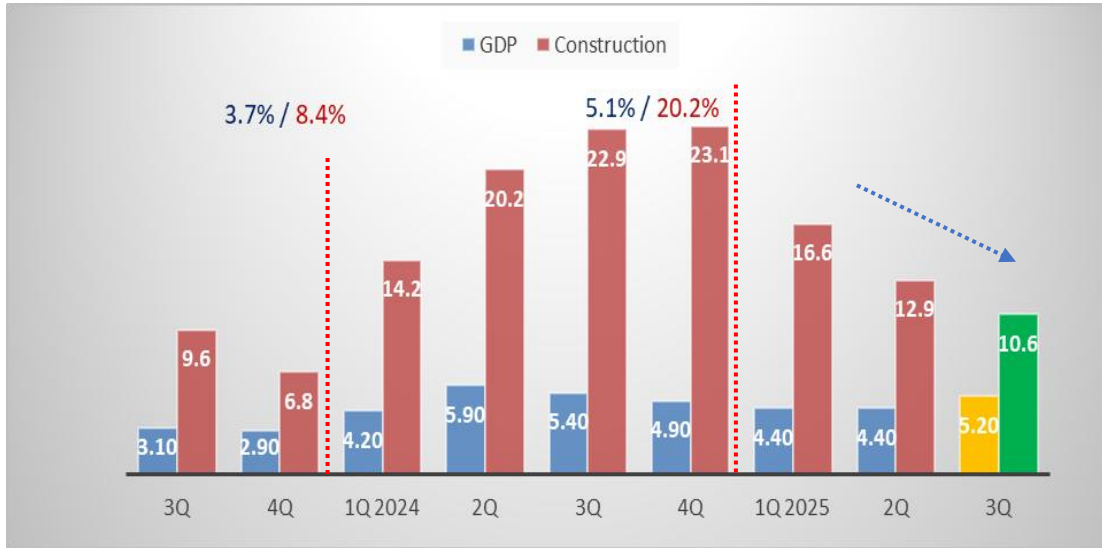
7 JANUARY 2026

CORPORATE STRUCTURE (31 OCTOBER 2025)

Key Operating Units

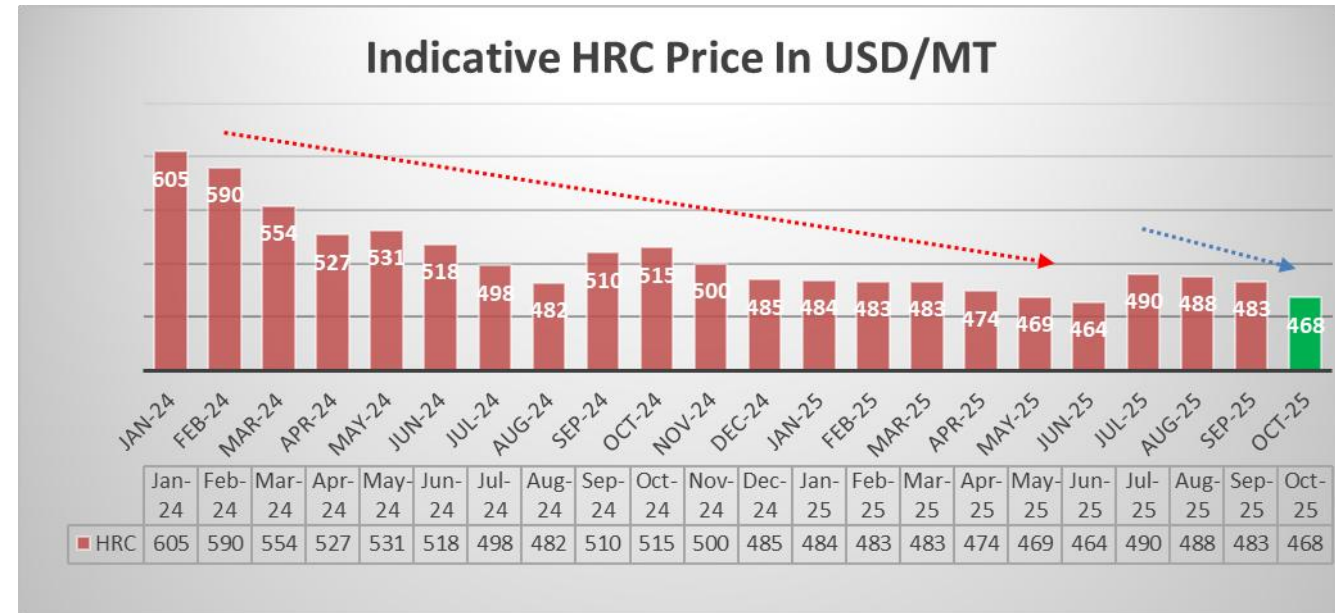


THE MACRO ENVIRONMENT



- Malaysia's GDP expanded above expectations at **5.2%** in **3Q2025**, improving from 4.4% in 2Q2025, primarily supported by resilient domestic demand.
- Overall, the growth moderated at **4.7%** in the **first 3 quarters** of the year compared to 5.2% over the same period in 2024.
- Construction sector growth, although decelerating, remained robust at **10.6%** vs 22.9% in 3Q 2024.
- Full-year 2025 GDP growth forecast revised down to **4.0%–4.8%**, from 4.5%–5.5% previously.

- Steel prices have been on a prolonged downtrend since early 2021, although the pace of decline has moderated recently following China's measures to address overcapacity and excessive competition among producers.
- Against this backdrop, steel prices saw a brief rebound in July, but subsequently weakened, declining to **USD468** in **October 2025**.



HTVB GROUP PERFORMANCE REVIEW - 1Q FY26 vs 1Q FY25 (corresponding quarter)



(RM'M)	1Q FY26	1Q FY25	Variance
Revenue	384.2	401.7	-4%
Gross Profit	26.7	6.3	326%
GPM/(GLM)	7.0%	1.6%	
Profit/(Loss) before Interest	15.5	(2.6)	694%
Finance Costs (net)	(4.3)	(7.0)	39%
ESSB	35.8	42.0	-15%
NPBT	47.0	32.4	45%
NPAT	43.7	34.9	25%
Net Gearing Ratio	0.27	0.39	
EPS (sen)	2.50	1.99	
NTA (RM)	0.88	0.81	

- Revenue declined by **4%**, mainly due to lower selling prices, despite marginally higher sales volumes.
- Gross profit improved, driven by lower costs of goods sold and a reversal of write-down of inventories to net realizable value amounting to **RM 4.5 million**.
- ESSB's share of profit declined to **RM35.8 million** (from RM42.0 million), mainly due to a lower positive impact from unrealised foreign exchange translation.
- Group NPBT improved to **RM47.0 million** (from RM32.4 million), largely driven by stronger downstream performance.

HTVB GROUP PERFORMANCE REVIEW - 1Q FY2025 vs 4Q FY2025 (preceding quarter)



(RM'M)	1Q FY26	4Q FY25	Variance
Revenue	384.2	342.7	12%
Gross Profit	26.7	1.4	1853%
GPM	7.0%	0.4%	
Profit/(Loss) before Interest	15.55	(9.05)	263%
Finance Costs (net)	(4.3)	(5.7)	25%
ESSB	35.8	30.2	18%
NPBT	47.0	15.5	203%
NPAT	43.7	19.9	119%
Net Gearing Ratio	0.27	0.26	
EPS (sen)	2.50	1.13	
NTA (RM)	0.88	0.85	

- Revenue increased by **12%**, driven mainly by higher sales volume
- Gross profit rose significantly, primarily due to a **RM4.5 million** reversal of inventory write-downs, compared with an additional RM11.9 million write-down in the preceding quarter.
- NPBT improved to **RM47.0m** (from RM15.5m), with higher share of ESSB's profit (**RM35.8 million** vs RM30.2 million) supported by positive unrealised foreign exchange translation in the current quarter.
- Balance sheet remains healthy with net gearing at **0.27x** and higher NTA per share of **RM0.88**.



Eastern Steel Sdn. Bhd.



ESSB PERFORMANCE REVIEW – 1Q FY2026 vs 4Q FY2025 (preceding quarter)



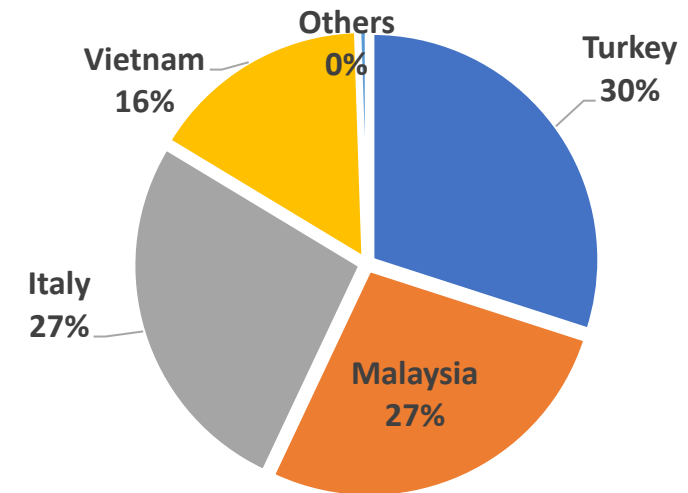
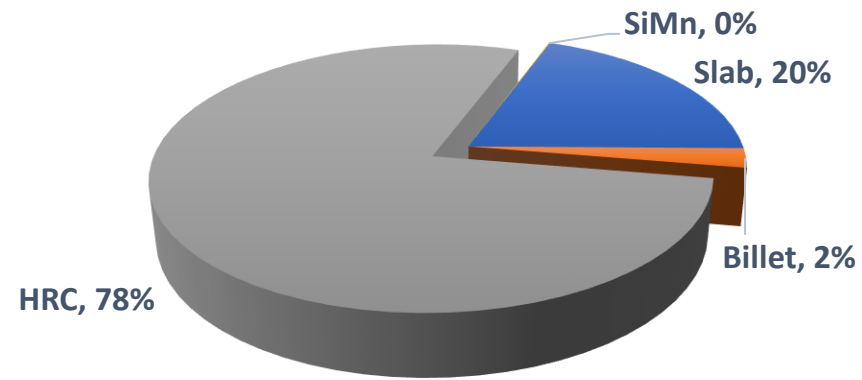
(RM'M)	1Q FY26	4Q FY25	Variance
Volume (kMT)	614.3	652.7	-6%
Revenue	1,293.7	1,400.5	-8%
Gross Profit	202.6	274.2	-26%
GPM	16%	20%	
Profit before Interest/Adjustments	168.8	244.2	-31%
Finance Costs	(38.3)	(40.5)	-5%
Unrealized FX	21.0	(7.9)	
Taxation	(20.4)	(85.2)	
NPAT	131.1	110.6	19%

- Revenue declined by **8%**, mainly due to a 6% decrease in sales volume.
- Gross profit margin edged down to **16%** (from 20% in the prior quarter), amid higher cost of sales driven by rising iron ore prices.
- ESSB's Q1 FY2026 NPAT increased to **RM131.1** million (from RM110.6 million), driven by favourable foreign exchange translation differences and lower deferred tax liabilities provision.

ESSB PERFORMANCE REVIEW – 1Q FY2026



Q1 FY2026 Product Mix



MARKET DISTRIBUTION FY2026(STEEL & HRC)

- Group net profit of **RM43.7 million**, supported by upstream ESSB contribution, manufacturing turnaround on track, and stable scaffolding demand, while Trading remains pressured by weak steel prices.
- Global steel market mixed, prices stabilising amid cautious demand; China's stricter capacity-swap rules expected to reduce overcapacity, with South/Southeast Asia infrastructure demand providing regional support.
- Malaysia's GDP grew **5.2%** in 3Q2025, underpinned by strong household spending, steady investment, and firm labour-market conditions; construction activity remained robust despite logistics cost and timing pressures from overweight-loading limits.
- **Policy and regulatory developments:** Steel Industries Roadmap (SIR2035) provides guidance on capacity rationalisation and low-carbon transition; carbon tax, expected in 2026, may affect cost structures of steel players.
- **Operational focus:** JV 1,450 mm HRC line ramping up to boost efficiency; continued focus on cost optimisation, operational discipline, and productivity improvements to navigate market conditions.



Q&A Session





THANK YOU

