HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

协德集团

ANALYSTS' BRIEFING
Q3 / FY 2026
PERFORMANCE REVIEW

01 JULY 2026

CORPORATE STRUCTURE (30 APRIL 2026)

Key Operating Units

H T V B

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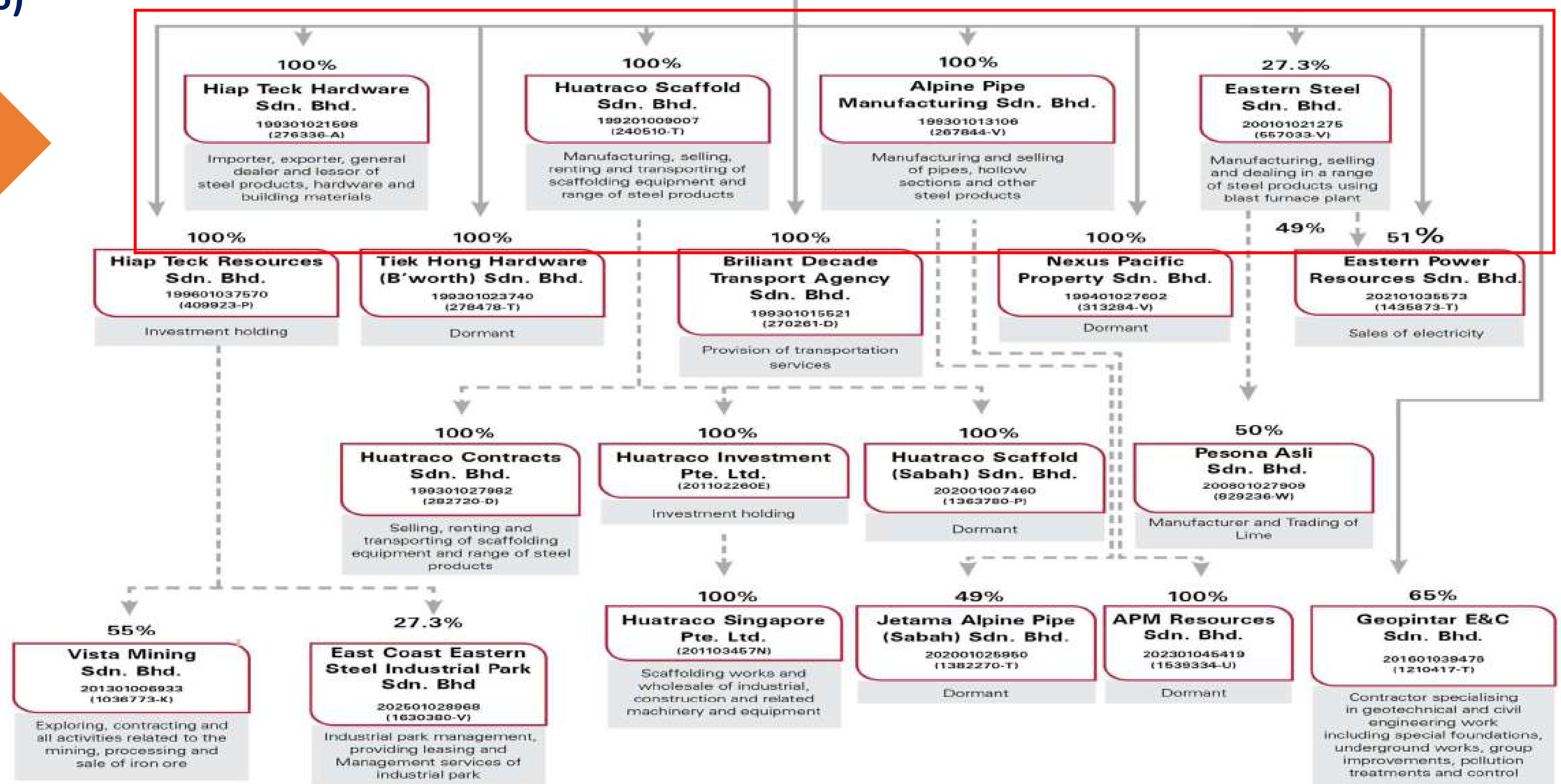
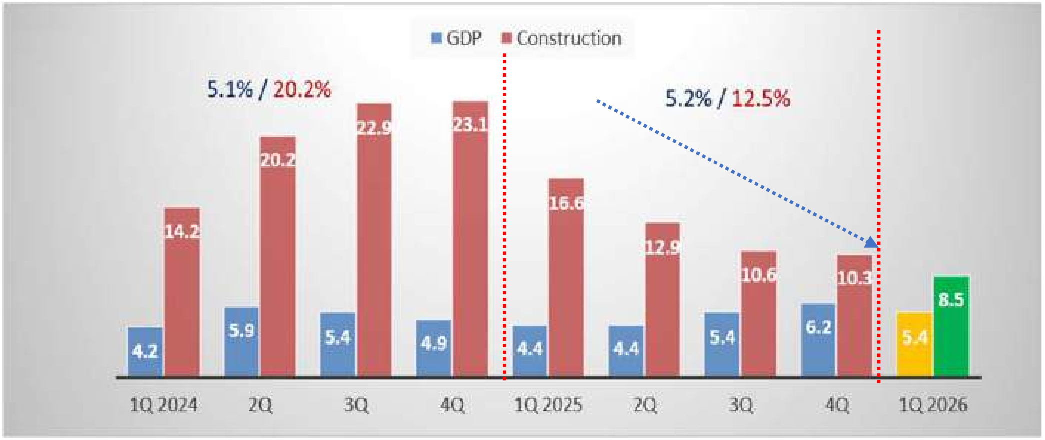
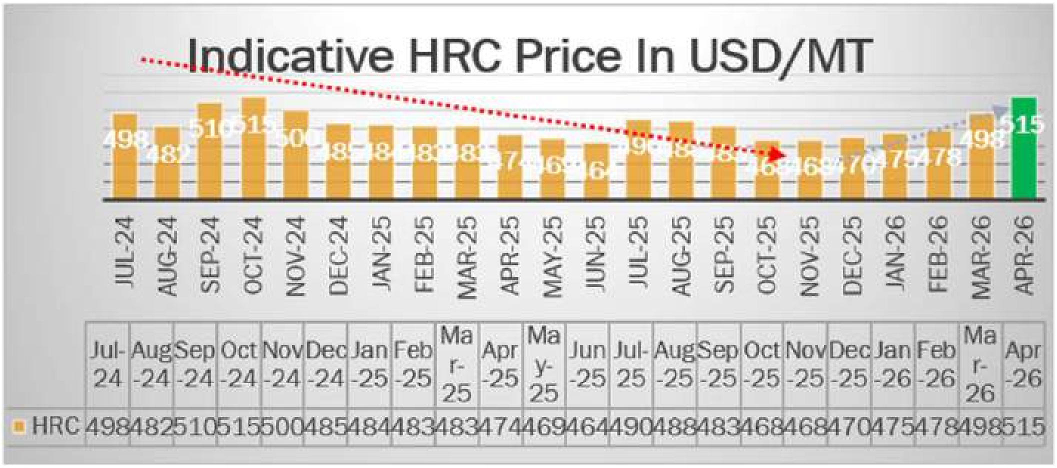


THE MACRO ENVIRONMENT





	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
HRC	498	482	510	515	500	485	484	483	483	474	469	464	490	488	483	468	468	470	475	478	498	515

- Malaysia Q1 GDP growth of **5.4%** driven by domestic demand
- Construction sector expanded steadily at **8.5%,** supported by special trade activities & non-residential construction growth
- Global steel prices have trended downward since 2021 as Chinese steel mills faced persistent oversupply pressure amid a prolonged property sector downturn.
- The pace of decline has moderated, as China moves to address overcapacity and curb excessive competition among producers.
- Disruptions arising from the Iran War lent support to steel prices, which strengthened 8% to reach USD515/MT in April 2026.

HTVB GROUP PERFORMANCE REVIEW - 3Q FY26 vs 3Q FY25 (corresponding quarter)

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(RM'M)	3Q FY26	3Q FY25	*Variance*
Revenue	399.9	344.8	***16%***
Gross Profit	**15.4**	**13.7**	***12%***
GPM/(GLM)	*3.8%*	*4.0%*	
Profit/(Loss) before Interest	*5.3*	*0.04*	***>1000%***
Finance Costs (net)	(4.3)	(5.1)	***5%***
ESSB	**6.2**	**40.9**	***-85%***
NPBT	**7.3**	**36.3**	***-80%***
NPAT	**5.5**	**34.7**	***-84%***
Net Gearing Ratio	0.28	0.27	
EPS (sen)	0.31	1.97	
NTA (RM)	0.92	0.84	

- Revenue increased by **16%,** driven by higher overall sales volumes partially offset by lower average selling prices.
- Gross profit improved on higher trading volumes, notwithstanding compressed margins amid softening selling prices.
- Share of profit from the joint venture decreased to **RM6.2 million** (3Q FY2025: RM40.9 million), primarily due to unfavourable foreign exchange translation effects, notwithstanding a steady underlying operating performance.
- Profit before tax decreased to **RM7.3 million** (3Q FY2025: RM36.3 million), largely attributable to lower contribution from the joint venture.

HTVB GROUP PERFORMANCE REVIEW - 2Q FY2026 vs 1Q FY2026 (preceding quarter)

(RM'M)	3Q FY26	2Q FY26	*Variance*
Revenue	399.9	397.4	*1%*
Gross Profit	**15.4**	**18.3**	***-16%***
GPM	*3.8%*	*4.7%*	
Profit/(Loss) before Interest	*5.3*	*5.3*	***2%***
Finance Costs (net)	(4.3)	(4.5)	***44%***
ESSB	**6.2**	**70.6**	***-91%***
NPBT	**7.3**	**71.3**	***-90%***
NPAT	**5.5**	**68.9**	***-92%***
Net Gearing Ratio	0.28	0.26	
EPS (sen)	0.31	3.95	
NTA (RM)	0.92	0.91	

- For the current quarter, the Group's revenue rose **1%**, supported by higher trading volumes, Average selling prices, however remained soft and continued to exert downward pressure on margins.
- Gross profit declined, reflecting tighter operating margins and higher cost of sales.
- Profit Before Tax decreased significantly to **RM7.3 million** (from RM71.3 million), due to a substantially lower contribution from the Joint Venture of **RM6.2 million** (from RM70.8 million), primarily attributable to unfavourable unrealised exchange translation effects in the current quarter.
- The Group's balance sheet remains healthy, with net gearing at **0.28x** and net tangible assets per share rising to **RM0.92**.

Eastern Steel Sdn. Bhd.

ESSB PERFORMANCE REVIEW –
3Q FY2026 vs 2Q FY2026 (preceding quarter)

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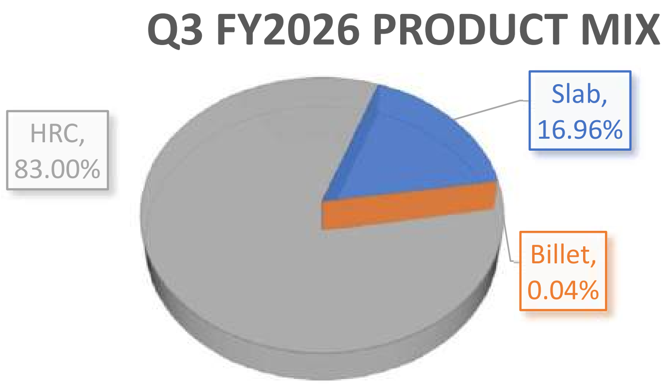
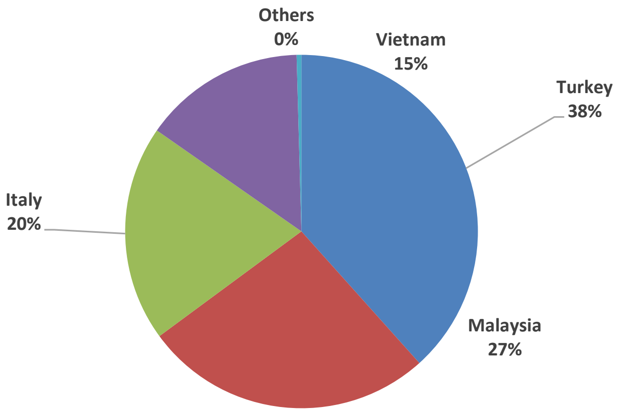
(RM'M)	3Q FY26	2Q FY26	*Variance*
Volume (kMT)	603.7	657.9	*-8%*
Revenue	1,230.6	1,377.0	*-11%*
Gross Profit	180.7	183.9	*-2%*
GPM	*15%*	*13%*	
Profit before Interest/Adjustments	*177.9*	*193.5*	*-8%*
Finance Costs	(39.0)	(37.2)	*5%*
Unrealized FX	(80.8)	122.8	
Taxation	(35.3)	(20.4)	
NPAT	22.8	258.7	*-91%*

- Revenue decreased by 11**%**, driven by an 8**%** decline in sales volume.
- Gross profit margin improved to **15%** (from 13%) attributed to operational efficiency and costs discipline.
- ESSB's Q3 FY2026 NPAT dropped to **RM22.8** million (from RM258.7 million), largely due to unfavourable foreign exchange translation losses, which weighed significantly on the Group's overall earnings.

ESSB PERFORMANCE REVIEW – 3Q FY2026





MARKET DISTRIBUTION FY2026 (STEEL & HRC)

OUTLOOK – CAUTIOUSLY OPTIMISTIC AMID MARKET HEADWINDS

- **Financial performance**: The Group recorded a net profit of **RM5.5 million** for the quarter, primarily reflecting a substantially lower joint venture contribution due to unfavourable foreign exchange translation effects, partially offset by improved Manufacturing margins and higher gains from disposal of rental equipment. The Trading segment continues to face margin pressure amid soft steel prices.

- **Global steel market**: Market conditions remain challenging amid persistent supply-demand imbalances and subdued prices. Global steel demand is forecast to grow marginally by 0.3% in 2026 (worldsteel, April 2026). Geopolitical tensions, including the Iran conflict and risks to the Strait of Hormuz, have heightened uncertainty and cost volatility. Elevated Chinese exports continue to pressure regional pricing despite growing trade protection measure

- **Domestic outlook**: Malaysia's economy remains resilient, with GDP expanding **5.4%** in 1Q2026, supported by domestic demand, private investment, and infrastructure development. Demand from industrial, manufacturing, and data centre sectors is expected to sustain domestic steel consumption.

- **Policy and regulatory landscape**: SIR2035 continues to guide the industry through capacity rationalisation, regulatory oversight, and sustainable steel production. Anticipated carbon-related measures and trade defence actions are expected to further shape the operating landscape.

- **Operational developments**: The joint venture's 1,450mm HRC production line continues to improve in utilisation and operating efficiency, providing a stronger platform for future earnings growth.

- **Outlook and focus:** The Group remains vigilant against pricing pressures, cost volatility, and foreign exchange risks. The Group will continue to prioritise cost optimisation, operational excellence, and prudent business strategies to deliver sustainable performance.

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THANK YOU

Q&A Session