

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements (Condensed Reports) are unaudited and have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS34: *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024.

The significant accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2024 except for the adoption of the following new/revised MFRSs:-

MFRS (issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

The adoption of the above new/revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

A2. Qualification of Financial Statements

The auditors' report dated 9 April 2025 in respect of the audited financial statements for the year ended 31 December 2024 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group performance for the financial period under review was not materially affected by any major seasonal and cyclical factors.

A4. Extraordinary and exceptional items

There were no extraordinary and exceptional items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A5. Changes in estimates

There were no material changes in the nature and amount of estimates during the financial period under review.

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

A6. Issuance and repayment of debts and equity securities etc

There were no issuances, cancellation, resale and repayment of debts and equity securities during the financial period under review.

A7. Dividend paid

A final single tier dividend of 3.3 sens per share, amounting to RM5,066,084 in respect of the financial year ended 31 December 2024, was approved in the AGM held on 29 May 2025, which had been paid on 18 June 2025 subsequently.

A8. Segment reporting

a. Operating segment

30 June 2025	Manufacture and sale of stainless steel fasteners RM'000	Manufacture and sale of aluminium and its related products RM'000	Unallocated non- operating segments RM'000	Total RM'000
Segment assets	567,460	142,982	1,082	711,524
Segment liabilities	89,710	28,920	6	118,636
External revenue	227,701	70,794	0	298,495
Segment profit	5,710	2,129	(5)	7,834

30 June 2024	Manufacture and sale of stainless steel fasteners RM'000	Manufacture and sale of aluminium and its related products RM'000	Unallocated non- operating segments RM'000	Total RM'000
Segment assets	498,675	137,991	1,237	637,903
Segment liabilities	23,888	20,693	11	44,592
External revenue	175,588	86,344	0	261,932
Segment profit/(loss)	1,491	6,887	(43)	8,335

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

b. Geographical information

In RM'000	External revenue		Non-current assets	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Malaysia	63,675	81,113	54,154	55,845
Thailand	10,709	12,526	85,349	87,957
Germany	13,362	21,579	0	0
Taiwan	55,682	27,398	0	0
United States of America	95,986	68,669	0	0
Other countries	59,081	50,647	0	0
	<u>298,495</u>	<u>261,932</u>	<u>139,503</u>	<u>143,802</u>

A9. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.

A10. Property, plant and equipment

The valuations of land and buildings have been brought forward, with no amendment from the previous annual report in the current quarter under review.

In the opinion of the directors, the fair value of property, plant and equipment is not significantly different from the carrying value.

A11. Capital commitment

Authorised capital expenditure not provided for in the interim financial report is as follows:

	30/06/2025 RM'000
<u>Property, plant and equipment</u>	
Contracted but not provided for	<u>629</u>

A12. Material events subsequent to the reported period

There was no item, transaction or event of a material or unusual in nature during the year from the end of the financial period under review to 18 August 2025.

A13. Contingent liabilities

	30/06/2025 RM'000	30/06/2024 RM'000
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>266,327</u>	<u>274,111</u>

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

**B. ADDITIONAL INFORMATION REQUIRED UNDER BURSA MALAYSIA
LISTING REQUIREMENTS**

1. Review of the performance of the Company and its principal subsidiaries

	Individual Period (2 nd quarter)				Cumulative Period			
	30/06/25	30/06/24	Changes		30/06/25	30/06/24	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	144,745	131,087	13,658	10.42	298,495	261,932	36,563	13.96
Gross Profit	8,529	9,496	(967)	(10.18)	20,474	17,522	2,952	16.85
Profit Before Interest and Tax	2,599	5,376	(2,777)	(51.66)	10,930	11,591	(661)	(5.70)
Profit Before Tax	1,528	5,131	(3,603)	(70.22)	9,401	11,128	(1,727)	(15.52)
Profit After Tax	879	3,830	(2,951)	(77.05)	7,834	8,335	(501)	(6.01)
Profit attributable to owners of the Company	718	2,039	(1,321)	(64.80)	6,724	4,879	1,845	37.81

The Group recorded revenue of RM144.75 million for current quarter as compared to RM131.09 million in previous year corresponding quarter. Higher revenue was mainly due to higher sales volume contributed from Fasteners segment.

The gross profit for cumulative period increased by RM2.95 million or 16.85% to RM20.47 million. The gross profit margin for the cumulative period had been improved from 6.69% to 6.86% was mainly due to the increase in sales volume while the cost of sales remain constant.

2. Material changes in the quarterly results compared to the results of the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter		
	30/06/25	31/3/25	Changes	
	RM'000	RM'000	RM'000	%
Revenue	144,745	153,750	(9,005)	(6.86)
Gross Profit	8,529	11,945	(3,416)	(28.60)
Profit Before Interest and Tax	2,599	8,331	(5,732)	(68.80)
Profit Before Tax	1,528	7,873	(6,345)	(80.59)
Profit After Tax	879	6,955	(6,076)	(87.36)
Profit attributable to owners of the Company	718	6,007	(5,289)	(88.05)

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

Material changes in the quarterly results compared to the results of the immediate preceding quarter (cont'd)

The Group reported revenue of RM144.75 million and profit before tax of RM1.53 million for the current quarter as compared to the revenue of RM153.75 million and profit before tax of RM7.87 million in the immediate preceding quarter. Decrease of the revenue were mainly resulted from the decrease in sales volume generated from Fasteners segments. The decrease in revenue also resulted in the decrease in gross profit by RM3.42 million from RM11.95 million to RM8.53 million.

3. Prospects for the current financial year

The global economy faced growing risks from rising tariffs and trade policy uncertainty. This is expected to dampen global growth by raising product costs, weakening capital expenditure by companies worldwide, and prompting more prudent lending by financial institutions.

Uncertain US tariffs policy poses challenges, though the demand remain steady, customers are cautious in making long term purchase decisions.

Despite ongoing market volatility stemming from the continuing geopolitical tensions and trade tariffs, the Board will continue its vigilance to navigate the Group through the challenging economic landscape from instability in the global financial markets and dampening of business and consumer confidence.

4. Variance of actual profit from forecast profit

Not applicable.

5. Tax expense

The tax expense for continuing operations comprises:

	Individual Quarter 3 months ended 30 June		Cumulative Quarter ended 30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tax based on results for the year:-				
Current tax	626	1,355	1,543	2,809
Deferred tax	23	(54)	24	(16)
	<u>649</u>	<u>1,301</u>	<u>1,567</u>	<u>2,793</u>

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

6. Group borrowings and debt securities

The Group's loans and borrowings are as follows:

	30/06/2025	30/06/2024
	RM'000	RM'000
<u>Unsecured</u>		
Short term borrowings		
Bankers' acceptance	11,682	4,765
Onshore foreign currency loans	27,571	0
Foreign currency trust receipts	50,944	7,642
Total	<u>90,197</u>	<u>12,407</u>
Disclosed as:-		
- Current liabilities	90,197	12,407
- Non-current liabilities	0	0
	<u>90,197</u>	<u>12,407</u>

The Group loans and borrowings in RM equivalent analysed by currencies in which the loans and borrowings were denominated are as follows:

	30/06/2025	30/06/2024
	RM'000	RM'000
<u>Bank loans and borrowings</u>		
US Dollars	78,515	7,642
Malaysian Ringgit	11,682	4,765
	<u>90,197</u>	<u>12,407</u>

7. Material pending litigation

The Group is not engaged in any material litigation as at 18 August 2025 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

8. Financial instruments

As at 30 June 2025, the outstanding forward exchange contracts are as follows:

	30/06/2025		30/06/2024	
	To sell	To buy	To sell	To buy
	‘000	‘000	‘000	‘000
Contract I	EUR 1,950	USD 2,114	EUR 2,450	USD 2,669
Contract II	EUR 400	MYR1,897	EUR 1,300	MYR 6,601

The maturity of the abovementioned foreign exchange contracts are less than 1 year.

Forward exchange contracts were entered into by subsidiaries in currencies other than the functional currency to manage the exposure to the foreign exchange rates fluctuation.

All exchange gains/losses arising on the hedge instruments are recognised in the Statement of Comprehensive Income on settlement of the forward exchange contract.

9. Dividend

A final single tier dividend of 3.3 sen per share, amounting to RM5,066,084 in respect of the financial year ended 31 December 2024, was approved in the AGM held on 29 May 2025, which had been paid on 18 June 2025 subsequently.

10. Earnings per share

	Individual Quarter		Cumulative	
	3 months ended		Quarter	
	30 June		Ended	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Profit for the year attributable to owners of the Company (RM'000)	718	2,039	6,724	4,879
Number of shares in issue at 1 January /31 December ('000)	153,518	153,518	153,518	153,518
Basic earnings per share (sen)	0.47	1.33	4.38	3.18
Diluted earnings per share (sen)	0.47	1.33	4.38	3.18

NOTES TO THE UNAUDITED
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2025

11. Notes to the Condensed Consolidated Statement of Comprehensive Income

	Current Quarter RM'000	Current Year To Date RM'000
Interest income	99	163
Interest expense	1,071	1,529
Depreciation and amortization	3,906	7,773
Foreign exchange (loss)/gain	(1,967)	878
Fair value loss on financial instruments mandatorily measured at fair value through profit or loss	263	118

BY ORDER OF THE BOARD

Tsai Yi Ting
Managing Director
Dated this 25 August 2025