

NOTES TO THE UNAUDITED  
INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 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.

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**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**

No dividend was paid by the Company during the financial period ended 31 March 2025.

**A8. Segment reporting**

**a. Operating segment**

<b>31 March 2025</b>	<b>Manufacture and sale of stainless steel fasteners RM'000</b>	<b>Manufacture and sale of aluminium and its related products RM'000</b>	<b>Unallocated non- operating segments RM'000</b>	<b>Total RM'000</b>
Segment assets	544,513	139,434	6,366	690,313
Segment liabilities	65,889	25,635	210	91,734
External revenue	119,671	34,079	0	153,750
Segment profit	5,077	1,869	9	6,955

<b>31 March 2024</b>	<b>Manufacture and sale of stainless steel fasteners RM'000</b>	<b>Manufacture and sale of aluminium and its related products RM'000</b>	<b>Unallocated non- operating segments RM'000</b>	<b>Total RM'000</b>
Segment assets	514,950	130,718	7,107	652,775
Segment liabilities	31,571	16,966	169	48,706
External revenue	91,461	39,384	0	130,845
Segment profit/(loss)	1,190	3,338	(23)	4,505

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**b. Geographical information**

In RM'000	External revenue		Non-current assets	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
Malaysia	30,588	37,286	56,731	58,186
Thailand	5,140	6,268	87,342	87,361
Germany	8,192	14,179	0	0
Taiwan	29,748	14,634	0	0
United States of America	51,001	33,287	0	0
Other countries	29,081	25,191	0	0
	<u>153,750</u>	<u>130,845</u>	<u>144,073</u>	<u>145,547</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:

	31/3/2025 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 22 May 2025.

**A13. Contingent liabilities**

	31/3/2025 RM'000	31/3/2024 RM'000
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries	<u>270,479</u>	<u>275,128</u>

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

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

	Individual Period (1 <sup>st</sup> quarter)			
	31/03/2025	31/03/2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	153,750	130,845	22,905	17.51
Gross Profit	11,945	8,026	3,919	48.83
Profit Before Interest and Tax	8,331	6,215	2,116	34.05
Profit Before Tax	7,873	5,997	1,876	31.28
Profit After Tax	6,955	4,505	2,450	54.38
Profit attributable to owners of the Company	6,007	2,840	3,176	111.49

The Group recorded revenue of RM153.75 million for current quarter as compared to RM130.85 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 RM3.92 million or 48.83% to RM11.95 million. The gross profit margin for the cumulative period had been improved from 6.13% to 7.77% 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		
	31/3/25	31/12/24	Changes	
	RM'000	RM'000	RM'000	%
Revenue	153,750	140,051	13,699	9.79
Gross Profit	11,945	9,604	2,341	24.38
Profit Before Interest and Tax	8,331	6,796	1,535	22.59
Profit Before Tax	7,873	6,542	1,331	20.35
Profit After Tax	6,955	7,276	(321)	(4.41)
Profit attributable to owners of the Company	6,007	6,726	(719)	(10.69)

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

The Group reported revenue of RM153.75 million and profit before tax of RM7.87 million for the current quarter as compared to the revenue of RM140.05 million and profit before tax of RM6.54 million in the immediate preceding quarter. Increase of the revenue were mainly resulted from the increase in sales volume generated from Fasteners segments. The increase in revenue also resulted in the increase in gross profit by RM2.34 million from RM9.61 million to RM11.95 million.

**3. Prospects for the current financial year**

The Group remains steadfast in its commitments to deliver sustainable long-term value to stakeholders, supported by the Group's strong financial fundamentals and prudent cash and financial management.

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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax based on results for the year:-				
Current tax	917	1,454	917	1,454
Deferred tax	1	38	1	38
	<u>918</u>	<u>1,492</u>	<u>918</u>	<u>1,492</u>

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**6. Group borrowings and debt securities**

The Group's loans and borrowings are as follows:

	<b>31/3/2025</b>	<b>31/3/2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Unsecured</u></b>		
Short term borrowings		
Bankers' acceptance	15,742	2,300
Onshore foreign currency loans	22,785	0
Foreign currency trust receipts	27,258	13,947
Total	<u>65,785</u>	<u>16,247</u>
Disclosed as:-		
- Current liabilities	65,785	16,247
- Non-current liabilities	0	0
	<u>65,785</u>	<u>16,247</u>

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

	<b>31/03/2025</b>	<b>31/03/2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank loans and borrowings</u></b>		
US Dollars	50,043	13,947
Malaysian Ringgit	15,742	2,300
	<u>65,785</u>	<u>16,247</u>

**7. Material pending litigation**

The Group is not engaged in any material litigation as at 22 May 2025 (the latest practicable date which is not earlier than 7 days from the date of this quarterly report).

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**8. Financial instruments**

As at 31 December 2024, the outstanding forward exchange contracts are as follows:

	<b>31/03/2025</b>		<b>31/03/2024</b>	
	<b>To sell</b>	<b>To buy</b>	<b>To sell</b>	<b>To buy</b>
	<b>‘000</b>	<b>‘000</b>	<b>‘000</b>	<b>‘000</b>
Contract I	EUR 2,300	USD 2,455	EUR 1,600	USD 1,752
Contract II	EUR 1,000	MYR 4,643	EUR 400	MYR 2,027

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, in respect of the financial year ended 31 December 2024, will be proposed for the shareholders’ approval at the 28th Annual General Meeting.

**10. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative</b>	
	<b>3 months ended</b>		<b>Quarter</b>	
	<b>31 March</b>		<b>Ended</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Profit for the year attributable to owners of the Company (RM’000)	6,007	2,840	6,007	2,840
Number of shares in issue at 1 January /31 December (‘000)	153,518	153,518	153,518	153,518
Basic earnings per share (sen)	3.91	1.85	3.91	1.85
Diluted earnings per share (sen)	3.91	1.85	3.91	1.85

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**11. Notes to the Condensed Consolidated Statement of Comprehensive Income**

	<b>Current Quarter</b>	<b>Current Year To Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	64	64
Interest expense	458	458
Depreciation and amortization	3,867	3,867
Foreign exchange gain	1,098	1,098
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	145	145

BY ORDER OF THE BOARD

Tsai Yi Ting  
Managing Director  
Dated this 29 May 2025