

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|----------------------|--------------------------------------|----------------------|---|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD TO DATE |
| | 30/09/25 | 30/09/24 | 30/09/25 | 30/09/24 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 692,576 | 606,430 | 1,949,551 | 1,825,427 |
| Cost of sales | (657,680) | (574,078) | (1,860,232) | (1,732,019) |
| Gross Profit | 34,896 | 32,352 | 89,319 | 93,408 |
| Operating expenses | (22,238) | (17,789) | (59,883) | (51,944) |
| Other expenses | (329) | - | (329) | - |
| Other income | - | 8,657 | 1,072 | 9,564 |
| Interest income | 288 | 186 | 714 | 1,100 |
| Finance cost | (8,305) | (7,240) | (25,766) | (24,393) |
| Share of profit in associated company | 811 | 636 | 2,276 | 1,596 |
| Profit before tax | 5,123 | 16,802 | 7,403 | 29,331 |
| Tax expenses | (2,883) | (647) | (3,668) | (5,740) |
| Profit for the period | 2,240 | 16,155 | 3,735 | 23,591 |
| Other Comprehensive Income -Revaluation of land | - | - | - | - |
| Total Comprehensive Profit | 2,240 | 16,155 | 3,735 | 23,591 |
| Profit and Total Comprehensive Profit attributable to: Equity holders of the Company | 2,240 | 16,155 | 3,735 | 23,591 |
| Profit for the period | 2,240 | 16,155 | 3,735 | 23,591 |
| Earnings per share (sen) | | | | |
| - Basic | 0.32 | 2.38 | 0.53 | 3.48 |
| - Diluted | 0.32 | 2.38 | 0.53 | 3.48 |

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31st December 2024 and accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

| | 30/09/25 | 31/12/24 |
|--|-------------------------|-------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| <u>Non-Current Assets</u> | | |
| Property, Plant & Equipment | 1,094,175 | 991,412 |
| Right-off-use assets | 5,106 | 3,256 |
| Investment in Associate company | 12,928 | 13,079 |
| | <u>1,112,209</u> | <u>1,007,747</u> |
| <u>Current Assets</u> | | |
| Inventories | 952,091 | 856,998 |
| Trade and other receivables | 362,018 | 340,671 |
| Taxation recoverables | 572 | 546 |
| Short term deposit | 24,341 | 22,412 |
| Cash and bank balances | 33,628 | 44,812 |
| | <u>1,372,650</u> | <u>1,265,439</u> |
| TOTAL ASSETS | <u><u>2,484,859</u></u> | <u><u>2,273,186</u></u> |
| EQUITY AND LIABILITIES | | |
| <u>Equity attributable to equity holders</u> | | |
| Share capital | 347,751 | 333,927 |
| Revaluation reserves | 158,394 | 158,394 |
| Treasury shares | (587) | (587) |
| Warrants reserves | 32,824 | 32,824 |
| Retained profits | 447,550 | 443,815 |
| Total Equity | <u>985,932</u> | <u>968,373</u> |
| <u>Non-Current Liabilities</u> | | |
| Lease Liabilities | 3,655 | 2,068 |
| Long term borrowings | 81,200 | 21,875 |
| Deferred tax liabilities | 42,728 | 39,089 |
| | <u>127,583</u> | <u>63,032</u> |
| <u>Current Liabilities</u> | | |
| Trade and other payables | 806,977 | 660,105 |
| Tax Payable | - | 34 |
| Lease Liabilities | 855 | 650 |
| Short term borrowings | 563,512 | 580,992 |
| | <u>1,371,344</u> | <u>1,241,781</u> |
| Total liabilities | <u>1,498,927</u> | <u>1,304,813</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>2,484,859</u></u> | <u><u>2,273,186</u></u> |
| Net Assets per share (RM) | 1.32 | 1.40 |

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024 and accompanying explanatory notes attached to the interim financial statements.

THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

| | Attributable to equity holders of the Company | | | | | Total RM'000 |
|--|---|-----------------------------------|--------------------------------|-------------------------------|------------------------------|-----------------|
| | Non-distributable | | | Distributable | | |
| | Share Capital RM'000 | Revaluation Reserves RM'000 | Warrants Reserves RM'000 | Retained Profits RM'000 | Treasury Shares RM'000 | |
| <i>9 months ended 30th September 2025</i> | | | | | | |
| At 1st January 2025 | 333,927 | 158,394 | 32,824 | 443,815 | (587) | 968,373 |
| New shares issued | 13,824 | - | - | - | - | 13,824 |
| Total comprehensive income | - | - | - | 3,735 | - | 3,735 |
| At 30th September 2025 | <u>347,751</u> | <u>158,394</u> | <u>32,824</u> | <u>447,550</u> | <u>(587)</u> | <u>985,932</u> |
| <i>9 months ended 30th September 2024</i> | | | | | | |
| At 1st January 2024 | 329,648 | 76,649 | 32,824 | 426,825 | (587) | 865,359 |
| New shares issued | 4,279 | - | - | - | - | 4,279 |
| Deferred tax liabilities on revaluation reserves | - | (3,600) | - | - | - | (3,600) |
| Total comprehensive income | - | - | - | 23,591 | - | 23,591 |
| At 30th September 2024 | <u>333,927</u> | <u>73,049</u> | <u>32,824</u> | <u>450,416</u> | <u>(587)</u> | <u>889,629</u> |

The above condensed consolidated statement of change of equity should be read in conjunction with the audited financial statements for the financial year ended 31st December 2024 and the accompanying explanatory notes attached to interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

| | Current year 01/01/25 to 30/09/25 RM'000 | Preceding Year 01/01/24 to 30/09/24 RM'000 |
|---|---|---|
| Cash Flow From Operating Activities:- | | |
| Profit before tax | 7,403 | 29,331 |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | 29,290 | 26,084 |
| Interest expenses | 25,766 | 24,393 |
| (Reversal)/ Impairment of inventories | (1,172) | 1,163 |
| Gain on disposal of property, plant and equipment | - | (146) |
| Share of gain of associate | (2,276) | (1,596) |
| Others | (1,456) | (10,664) |
| Operating profit before changes in working capital | 57,555 | 68,565 |
| Changes in working capital | | |
| Net change in inventories | (93,921) | (18,510) |
| Net change in receivables | (21,347) | (12,222) |
| Net change in payables | 147,615 | 44,246 |
| Cash generated in operations | 89,902 | 82,079 |
| Interest paid | (25,635) | (24,201) |
| Income tax paid | (90) | (104) |
| Net cash generated from operating activities | <u>64,177</u> | <u>57,774</u> |
| Investing activities | | |
| Purchase of property, plant and equipment | (132,626) | (96,238) |
| Dividend income | 2,427 | - |
| Interest received | 714 | 1,100 |
| Proceed from disposal | - | 200 |
| Net cash used in investing activities | <u>(129,485)</u> | <u>(94,938)</u> |
| Financing activities | | |
| Bank borrowings | 41,487 | 56,001 |
| Issue of private placement | 13,824 | 4,279 |
| Finance lease interest paid | (131) | (193) |
| Net cash generated from financing activities | <u>55,180</u> | <u>60,087</u> |
| Net (decrease)/ increase in cash and cash equivalents | (10,128) | 22,923 |
| Cash and cash equivalents at beginning of the year | 62,730 | 50,923 |
| Cash and cash equivalents at end of the financial period | <u><u>52,602</u></u> | <u><u>73,846</u></u> |
| 1 Cash and cash equivalents at end of the financial period comprise : | | |
| Pledged fixed deposit | 24,341 | 21,745 |
| Cash and bank balances | 33,628 | 56,431 |
| Bank overdraft | (5,367) | (4,330) |
| | <u><u>52,602</u></u> | <u><u>73,846</u></u> |

The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2024 and accompanying explanatory notes attached to the interim financial statements.

MALAYSIA STEEL WORKS (KL) BHD
Company No. 197101000213 (7878-V)

EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING FOR THE QUARTER ENDED 30TH SEPTEMBER 2025

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by International Accounting Standard Board (“IASB”), the requirement of the Companies Act 2016 and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statement for the year ended 31st December 2024, which were prepared under Malaysian Financial Reporting Standards (“MFRSs”). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31st December 2024.

A2. Accounting Policies and Methods of Computation

The accounting policies adopted in the preparation of the Condensed Report are consistent with those used in the preparation of the Group’s audited financial statements for the year ended 31st December 2024, except for the following:

Standards and Amendments to MFRSs issued but not yet effective

Effective for financial periods beginning on or after 1 January 2026

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures- Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity
- Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial periods beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date of these Amendments to Standards has been deferred, and yet to be announced

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

A3. Disclosure of Audit Report Qualification

The audit report of the Group's annual financial statements for the financial year ended 31st December 2024 did not contain any qualification.

A4. Seasonal or Cyclical factors

The operations of the Company are subject to both cyclical factors in the construction industry as well as festive seasons.

A5. Unusual items affecting the assets liabilities, equity, net income or cash flows.

There are no extraordinary items for the financial period under review.

A6. Changes in Estimates

There have been no changes in the estimates of amount for the period under review.

A7. Debts and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayment of debts and equity securities for the current quarter under review, save as disclosed below.

A total of 54,000,000 ordinary shares were subscribed through a private placement at an exercise price of RM0.256 per share and listed on 7th August 2025.

As at 30th September 2025, a total of 1,840,000 shares were held as treasury shares out of its total issued share capital of 746,609,746 shares at an average price of RM0.319 per share. The share buyback transactions were financed by internally generated funds.

A8. Dividend

No dividend was paid by the Company in the current quarter under review and financial year to date.

A9. Segmental reporting

The Group is primarily organised in one business segment namely manufacturing of steel bars and billets. The business segment analysed by geographical location of customers are as follows:

| | Current Quarter ended RM'000 | Current Year to-date ended RM'000 |
|--------------------|---|--|
| Revenue | | |
| - Malaysia | 588,406 | 1,533,218 |
| - Outside Malaysia | 104,170 | 416,333 |
| | 692,576 | 1,949,551 |

A10. Valuation

The valuations of the property, plant and equipment has been brought forward and was regarded as deemed cost at the date of transition to MFRS. The relevant revaluation surplus was recognized to the retained earnings. In year 2024, the Company had a revaluation of land and the revaluation surplus was recognized to the equity as revaluation reserve.

A11. Material subsequent events

There are no material subsequent events between the end of the current quarter under review and the date of this report.

A12. Changes in the composition of the Group

There was no change in the composition of the Group during the current quarter under review.

A13. Significant Related Party Transactions

In the normal course of business, the Group undertakes on normal trade terms with related companies and other related parties. The significant related party transactions of the Group carried out during the current quarter under review are as follows:

| | Current Quarter Ended RM'000 | Current Year To-date Ended RM'000 |
|---|---|--|
| i) Transportation charged by a subsidiary | 884 | 2,219 |
| ii) Interest income from associate | - | (2) |
| iii) Payment on behalf (associate) | 205 | 710 |
| iv) Dividend from associate | - | 2,427 |

A14. Capital commitments

| | 30/09/25 RM'000 |
|--------------------------------------|----------------------------|
| Property, plant and equipment | |
| - Contracted but not provided for | 27,300 |
| | <hr/> |
| | 27,300 |
| | <hr/> <hr/> |

PART B:- ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

| | Individual Period | | | Cumulative Period | | |
|--------------------------------|-------------------|------------|---------|-------------------|------------|---------|
| | 3 months | | | 6 months | | |
| | 30/09/2025 | 30/09/2024 | Changes | 30/09/2025 | 30/09/2024 | Changes |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 692,576 | 606,430 | 14.21 | 1,949,551 | 1,825,427 | 6.80 |
| Profit before interest and tax | 13,428 | 24,042 | (44.15) | 33,169 | 53,724 | (38.26) |
| Profit before tax | 5,123 | 16,802 | (69.51) | 7,403 | 29,331 | (74.76) |

The Group reported a profit before tax of RM5.12 million on the revenue of RM692.58 million for the current quarter compared to a profit before tax of RM16.81 million on the revenue of RM606.43 million for the previous year corresponding quarter. The increase in revenue in current quarter was mainly attributed to higher sales volume of steel products from export market and improved local demand. The current quarter recorded a lower profit before tax mainly due to lower sales margin and higher operating and finance expenses.

B2. Variation of results against preceding quarter's

| | 3 months ended | | |
|-------------------|----------------|------------|---------|
| | 30/09/2025 | 30/06/2025 | Changes |
| | RM'000 | RM'000 | % |
| Revenue | 692,576 | 649,369 | 6.65 |
| Profit before tax | 5,123 | 910 | 462.97 |

The Group's revenue increased marginally by RM43.21 million to RM692.58 million mainly due to higher sales volume and selling price as compared with the last quarter from the recovery of the local market demand.

The Group's profit before tax increased marginally from RM0.91 million achieved in the immediate preceding quarter to RM5.12 million in the current quarter resulted from the improved margin and lower finance expenses.

B3. Prospects

The Country has approved 143 data center projects worth RM144.4 billion between 2021 and June 2025. The Malaysian data center market is projected to grow from \$4.04 billion in 2024 to over \$13.5 billion by 2030. Data centers construction will continue to drive demand for the Company's steel products well into 2026.

The approaching year end seasonal weather and festivities is expected to cause some degree of volatility on demand of steel. Despite these headwinds, the Company is striving to maintain its competitiveness and profitability through its low GHG emissions production processes.

Masteel was honoured in November 2025 to receive the Gold Award in Energy Efficiency and the Silver Award in Innovative Partnership at the 1st Asia ESG Positive Impact Awards. This recognition reflects Masteel's strong ESG performance and proudly elevates Malaysia's presence on the Asian stage. This award marks the first regional accolade introduced by the Asia ESG Positive Impact Consortium, launched by Star Media Group (Malaysia), KG Media (Indonesia), and the Inquirer Group of Companies (Philippines).

B4. Profit forecast

The disclosure requirements for explanatory notes are not applicable as no profit forecast was published.

B5. Condensed Consolidated Statements Of Comprehensive Income

| | Current Quarter Ended RM'000 | Current Year To-date Ended RM'000 |
|---|---|--|
| Profit/(Loss) before taxation is arrived at after charging/(crediting): | | |
| Unrealised foreign exchange loss/(gain) | 329 | (743) |
| Realised foreign exchange loss/(gain) | 620 | (120) |
| Depreciation of property, plant and Equipment | 10,506 | 29,290 |
| Impairment/(reversal) of inventories | 813 | (1,172) |
| Share of profit in associate | (811) | (2,276) |
| Interest expense | 8,305 | 25,766 |
| Interest income | (288) | (714) |
| Impairment of assets | - | - |
| (Gain)/loss on disposal of quoted or unquoted investment or properties | - | - |
| Other income including investment income | - | - |
| Provision for and write off of receivables | - | - |
| (Gain)/loss on derivatives | - | - |

B6. Tax expenses

Taxation comprises:

| | Current Quarter Ended RM'000 | Current Year To-date Ended RM'000 |
|--|---|--|
| <u>Malaysian income tax</u> | | |
| Current taxation: | | |
| -Current year | 5 | 30 |
| -Under/(Over) provision in prior years | - | - |
| Deferred taxation: | | |
| -Current year | 2,313 | 3,073 |
| -Under/(Over) provision in prior years | 565 | 565 |
| | <u>2,883</u> | <u>3,668</u> |

The effective tax rate of the Group for the current quarter ended 30th September 2025 was lower than the statutory tax rate mainly due to utilization of capital allowance and reinvestment allowance.

B7. (a) Status of corporate proposals

i) Proposed Private Placement

On 19th July 2024, the Company announced that it is proposing to undertake a Proposed Private Placement of up to 10% of the Company's total number of issued shares, excluding treasury shares.

Bursa Securities had, vide its letter dated 8th August 2024, resolved to approve the listing of and quotation for up to 90,547,966 new ordinary shares in the Company subject to full compliance with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Private Placement. On 24th January 2025, Bursa Securities had approved the Company's application for an extension of time until 8th August 2025 to complete the implementation of the Private Placement.

On 1st August 2025, the Board had resolved to fix the issue price at RM0.256 per share represents a discount of approximately 2.14% to the 5-day VWAP @ RM0.2616 of Masteel shares.

On 5th August 2025, a total of 54,000,000 new Masteel shares was issued at an exercise price of RM0.256 per share.

On 7th August 2025, the Company announced that a cumulative total of 67,500,000 Placement Shares were issued pursuant to the Private Placement and were listed and quoted on the Main Market of Bursa Securities, thus marking the completion of the Private Placement.

(b) Status of utilization of proceed raised

i) Proposed Private Placement

The total proceed raised as at the reporting date by the Company from the Private Placement on 5th August 2025 had been utilised in the following manner.

| | Proposed Utilisation RM'000 | Actual Utilisation RM'000 | Utilisation Timeframe | Deviation RM'000 | % | Explanation |
|--------------------|--|--|----------------------------------|-----------------------------|----------|--------------------|
| Working capital | 13,775 | 13,775 | Within 6 months | - | - | |
| Estimated expenses | 49 | 49 | Upon completion | - | - | |
| Total | 13,824 | 13,824 | | - | - | |

B8. Borrowings

30/09/25
RM'000

Secured:

| | |
|-------------------------|----------------|
| Short term borrowings | 563,512 |
| Long term borrowings | 81,200 |
| Total borrowings | 644,712 |

The above borrowings are all denominated in Ringgit Malaysia.

B9. Material litigations

There are no material litigations during the current period under review

B10. Dividend

No dividend has been proposed or declared by the Company during the current quarter under review.

B11. Earnings per share (“EPS”)
(a) Basic Earnings per share

The earnings per share of the Company is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

| | Current Quarter Ended | Current Year To-date Ended |
|--|--------------------------------------|---|
| Earnings attributable to ordinary shareholders (RM'000) | <u>2,240</u> | <u>3,735</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>698,906</u> | <u>698,906</u> |
| Basic Earnings Per Share (sen) | <u>0.32</u> | <u>0.53</u> |

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average numbers of shares in issue have been adjusted for the dilutive effects of all potential conversion of any convertible securities issued during the period as set out below:

| | Current Quarter Ended | Current Year To-date Ended |
|--|--------------------------------------|---|
| Earnings attributable to ordinary shareholders (RM'000) | <u>2,240</u> | <u>3,735</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>698,906</u> | <u>698,906</u> |
| Effects of dilution ('000) | <u>-</u> | <u>-</u> |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | <u>698,906</u> | <u>698,906</u> |
| Diluted Earnings Per Share (sen) | <u>0.32</u> | <u>0.53</u> |

The warrants exercisable at end of the 30th September 2025 do not have a dilutive effect to the earnings per ordinary shares as the average market price per ordinary shares for the financial year does not exceed the exercise price of the warrants.

B12. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.