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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD TO DATE
	30/09/26	30/09/25	30/09/26	30/09/25
	RM'000	RM'000	RM'000	RM'000
Revenue	760,663	692,576	2,422,483	1,949,551
Cost of sales	(724,192)	(657,680)	(2,331,603)	(1,860,232)
Gross Profit	36,471	34,896	90,880	89,319
Operating expenses	(22,728)	(22,238)	(51,984)	(59,883)
Other expenses	-	(329)	(10,344)	(329)
Other income	808	-	3,045	1,072
Interest income	254	288	692	714
Finance cost	(9,167)	(8,305)	(29,314)	(25,766)
Share of profit in associated company	1,116	811	3,245	2,276
Profit before tax	6,754	5,123	6,220	7,403
Tax expenses	(3,839)	(2,883)	(2,391)	(3,668)
Profit for the period	2,915	2,240	3,829	3,735
Other Comprehensive Income -Revaluation of land	-	-	-	-
Total Comprehensive Profit	2,915	2,240	3,829	3,735
Profit and Total Comprehensive Profit attributable to: Equity holders of the Company	2,915	2,240	3,829	3,735
Profit for the period	2,915	2,240	3,829	3,735
Earnings per share (sen)				
- Basic	0.39	0.32	0.51	0.53
- Diluted	0.39	0.32	0.51	0.53

The Unaudited Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31st December 2025 and accompanying explanatory notes attached to the interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	30/09/26 RM'000	31/12/25 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,076,410	1,088,740
Right-off-use assets	6,320	5,930
Investment in Associate company	17,334	14,089
	1,100,064	1,108,759
Current Assets		
Inventories	1,135,599	987,130
Trade and other receivables	418,768	371,530
Taxation recoverables	74	457
Short term deposit	8,923	15,785
Cash and bank balances	100,593	120,885
	1,663,957	1,495,787
TOTAL ASSETS	2,764,021	2,604,546
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	347,751	347,751
Revaluation reserves	158,394	158,394
Treasury shares	(587)	(587)
Warrants reserves	32,824	32,824
Retained profits	456,312	452,483
Total Equity	994,694	990,865
Non-Current Liabilities		
Lease Liabilities	3,712	3,517
Long term borrowings	102,481	69,792
Deferred tax liabilities	47,317	45,375
	153,510	118,684
Current Liabilities		
Trade and other payables	1,020,618	864,418
Tax Payable	328	206
Lease Liabilities	1,966	1,812
Short term borrowings	592,906	628,561
	1,615,818	1,494,997
Total liabilities	1,769,328	1,613,681
TOTAL EQUITY AND LIABILITIES	2,764,022	2,604,546
Net Assets per share (RM)	1.33	1.33

The Unaudited Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2025 and accompanying explanatory notes attached to the interim financial statements.

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

THE UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	Attributable to equity holders of the Company					
	← Non-distributable →			Distributable		
	Share Capital RM'000	**Revaluation Reserves RM'000**	**Warrants Reserves RM'000**	**Retained Profits RM'000**	**Treasury Shares RM'000**	**Total RM'000**
9 months ended 30th September 2026						
At 1st January 2026	347,751	158,394	32,824	452,483	(587)	990,865
Total comprehensive income	-	-	-	3,829	-	3,829
At 30th September 2026	347,751	158,394	32,824	456,312	(587)	994,694
9 months ended 30th September 2025						
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	347,751	158,394	32,824	447,550	(587)	985,932

The above condensed consolidated statement of change of equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory noted attached to interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	Current year 01/01/26 to 30/09/26 RM'000	Preceding Year 01/01/25 to 30/09/25 RM'000
Cash Flow From Operating Activities:-		
Profit before tax	6,220	7,403
Adjustment for:		
Depreciation of property, plant and equipment	34,018	29,290
Interest expenses	29,314	25,766
(Reversal)/Impairment of inventories	(3,562)	(1,172)
Share of gain of associate	(3,245)	(2,276)
Others	6,635	(1,456)
Operating profit before changes in working capital	69,380	57,555
Changes in working capital		
Net change in inventories	(144,907)	(93,921)
Net change in receivables	(47,238)	(21,347)
Net change in payables	148,873	147,615
Cash generated in operations	26,108	89,902
Interest paid	(29,112)	(25,635)
Income tax paid	(376)	(90)
Income tax refunded	432	-
Net cash used in operating activities	(2,948)	64,177
Investing activities		
Purchase of property, plant and equipment	(20,099)	(132,626)
Dividend income	-	2,427
Interest received	692	714
Net cash used in investing activities	(19,407)	(129,485)
Financing activities		
Bank borrowings	(4,596)	41,487
Issue of private placement	-	13,824
Finance lease interest paid	(203)	(131)
Net cash used in financing activities	(4,799)	55,180
Net decrease in cash and cash equivalents	(27,154)	(10,128)
Cash and cash equivalents at beginning of the year	136,670	62,730
Cash and cash equivalents at end of the financial period	109,516	52,602

1 Cash and cash equivalents at end of the financial period comprise :

Pledged fixed deposit	8,923	24,341
Cash and bank balances	100,593	33,628
Bank overdraft	-	(5,367)
	109,516	52,602

The Unaudited Condensed Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2025 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 2026

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 2025, 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 2025.

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 2025, except for the following:

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

Standards and Amendments to MFRSs issued but not yet effective

Effective for financial periods beginning on or after 1 January 2027
- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 and Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121 The Effects of Change in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures

Effective for financial periods beginning on or after 1 January 2029
MFRS 20 Regulatory Assets and Regulatory Liabilities

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 2025 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.

As at 30th September 2026, 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	598,237	1,786,390
- Outside Malaysia	162,426	636,093
	760,663	2,422,483

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	2,732	7,341
ii)	Payment on behalf (associate)	233	767

A14. Capital commitments

	30/09/26 RM'000
Property, plant and equipment	
- Contracted but not provided for	Nil
	Nil

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

B1. Review of performance

	Individual Period 3 months			Cumulative Period 9 months		
	30/09/2026 RM'000	30/09/2025 RM'000	Changes %	30/09/2026 RM'000	30/09/2025 RM'000	Changes %
Revenue	760,663	692,576	9.83	2,422,483	1,949,551	24.26
Profit before interest and tax	15,921	13,428	18.57	35,534	33,169	7.13
Profit before tax	6,754	5,123	31.84	6,220	7,403	(15.98)

The Group reported a profit before tax of RM6.75 million on the revenue of RM760.66 million for the current quarter compared to a profit before tax of RM5.12 million on the revenue of RM692.58 million for the previous year corresponding quarter. The increase in revenue in current quarter was mainly attributed to higher sales volume of steel products in local and export markets. The current quarter recorded a higher profit before tax mainly due to unrealized foreign exchange gain and better performance from associate company.

B2. Variation of results against preceding quarter's

	3 months ended		
	30/09/2026 RM'000	30/06/2026 RM'000	Changes %
Revenue	760,663	870,381	(12.61)
Profit before tax	6,754	2,043	230.59

The Group's revenue decreased by RM109.72 million to RM760.66 million mainly due to lower sales volume in export market as compared with the last quarter.

During the period under review, the Group incurred a profit before tax of RM6.75 million as against a profit before tax of RM2.04 million achieved in the immediate preceding quarter. The aforesaid profit was due to better sales margin and unrealized foreign exchange gain as compared to an unrealized foreign exchange loss in the previous quarter.

B3. Prospects

Construction sector

Construction work done grew 9.0% year-on-year in the third quarter of 2026 and 8.8% for the first nine months. The Department of Statistics Malaysia (DOSM) published the Q3 figures on 12th November 2026.

Value of work done: Growth (y-o-y)

Q1 2026	Q2 2026	Q3 2026	9M 2026
RM46.5bn	RM47.8bn	RM49.5bn	RM143.9bn
8.5%	8.8%	9.0%	8.8%

Source of growth: The private sector contributed RM33.3 billion, or 67.2% of the Q3 total. The pick-up was driven mainly by the non-residential buildings sub-sector. (Source: New Straits Times)

Slower than 2025: In the first three quarters of 2025, work done was up 13.3% on the same period of 2024. Growth has since eased from double digits to about 8.5 - 9%. (Source: DOSM)

Wider economy: GDP grew 5.3% in Q3 2026, after 6.0% in Q2, so construction continues to outpace the overall economy. (Source: Bernama)

Full-year estimate: If this pace holds in Q4, full-year 2026 work done would be about RM193 billion, up 8 - 9% from RM178.6 billion in 2025.

Given this strong growth, demand for the Company's steel bars and billets remains well supported.

Anpec acquisition

The proposed acquisition of a 51% stake in Anpec Global Corporation Sdn Bhd (Anpec), a Malaysian owned engineering and EPCC contractor specialising in high-voltage (HV) electrical infrastructure, substations and industrial electrical systems, is progressing on schedule. Masteel is already assisting Anpec with bids for tenders worth RM103 million. If awarded, these projects are only expected to start upon the completion of Masteel's aforesaid acquisition.

Decarbonisation

Masteel's collaboration with Universiti Tunku Abdul Rahman (UTAR) to develop Malaysia's first home-grown greenhouse gas (GHG) sequestration know-how has shown promising laboratory results. Commercialisation is now under way on site.

Masteel's new carbon capture (CC) plant is expected to be ready for commissioning in the first quarter of 2027. Once operational, the facility is expected to reduce the Company's Scope 1 GHG emissions by 10%.

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 (gain)/loss	(808)	7,299
Realised foreign exchange (gain)	(396)	(12,106)
Depreciation of property, plant and Equipment	13,470	34,018
Impairment/(reversal) of inventories	(30)	(3,562)
Share of profit in associate	(1,116)	(3,245)
Interest expense	9,167	29,314
Interest income	(254)	(692)
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
Malaysian income tax		
Current taxation:		
- Current year	475	531
- Over provision in prior years	(82)	(82)
Deferred taxation:		
- Current year	640	(864)
- Under provision in prior years	2,806	2,806
	3,839	2,391

The effective tax rate of the Group for the current quarter ended 30th September 2026 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 Acquisition and Proposed Private Placement of up to 10% of its issued and paid up share capital

On 12th October 2026, the Company announced that it had entered a Share Sale Agreement with Abd Rasid bin Mohamed for an acquisition of 3,286,369 ordinary shares in Anpec Global Corporation Sdn Bhd ('Anpec') representing 51% equity interest in Anpec, for a purchase consideration of RM12.0 million ('Proposed Acquisition'). The purchase consideration shall be satisfied via a combination of RM3.0 million in cash and RM9.0 million via the issuance of 45 million new ordinary shares in Masteel.

The Company is also proposing to undertake a private placement of the remaining balance of up to 29,476,974 of the issued shares ('Proposed Private Placement').

Bursa Securities had, vide its letter dated 17th November 2026, resolved to approve the listing of and quotation for up to 74,476,974 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 Proposed Acquisition and Proposed Private Placement.

(b) Status of utilization of proceed raised

Not applicable

B8. Borrowings

	30/09/26 RM'000
Secured:	
Short term borrowings	592,906
Long term borrowings	102,481
Total borrowings	695,387

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)	2,915	3,829
Weighted average number of ordinary shares in issue ('000)	744,770	744,770
Basic Earnings Per Share (sen)	0.39	0.51

(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)	2,915	3,829
Weighted average number of ordinary shares in issue ('000)	744,770	744,770
Effects of dilution (‘000)	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	744,770	744,770
Diluted Earnings Per Share (sen)	0.39	0.51

The warrants exercisable at end of the 30th September 2026 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.