INTERIM REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2025

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Bhd ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2025. 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 financial year ended 31 March 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements for the financial year ended 31 March 2025, except for the following Amendments to MFRS which are applicable to its financial statements:

Effective for financial period beginning on or after 1 January 2025:-

• Amendments to MFRS 121	Lack of exchangeability

At the date of authorisation of these interim financial statements, the following Standards and amendments to Standards were issued but not yet effective up to the date of issuance of the Group's financial statements and have not been early adopted by the Group:

Effective for financial period beginning on or after 1 January 2026:-

• Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
• Amendments to MFRS 1, MFRS 7, MFRS9, MFRS 10, and MFRS 107	Amendments that are part of Annual Improvements – Volume 11
• Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature – Dependent Electricity

Effective for financial period beginning on or after 1 January 2027:-

• MFRS 18	Presentation and Disclosure in Financial Statement
• MFRS 19	Subsidiaries without Public Accountability: Disclosures

Effective Date Deferred Indefinitely:-

• Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

MFRS 18 Presentation and Disclosure in Financial Statements:-

MFRS 18 Presentation and Disclosure in Financial Statements introduces three sets of new requirements to improve companies' reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, early adoption is applicable.

The Group will adopt the above Standards and amendments to Standards when they become effective in the respective financial periods. The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

3. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There were no audit qualifications on the audit report of the preceding reports and financial statements.

4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

Except for the major festive seasons when activities slow down, the pace of the Company's business generally moves in tandem with the performance of the economy.

5. NATURE AND AMOUNT OF UNUSUAL ITEMS

There were no items of unusual nature, size or incidence which affect the assets, liabilities, equity, net income or cash flows during the current quarter under review.

6. NATURE AND AMOUNT OF CHANGES IN ESTIMATES

There were no major changes in estimates that have a material effect on the current quarter's results.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter under review.

8. DIVIDEND PAID

There were no dividends paid during the financial period-to-date.

9. SEGMENTAL INFORMATION

For management purposes, the Group is organised into three reportable operating segments, which comprise the following:

(a) Trading & Services
Trading and marketing of steel products and all types of construction materials, warehousing and storage services.

(b) Manufacturing
Manufacturing and trading of steel purlin, structural steel components and other steel products.

(c) Others
Investment holding, providing accounting, administrative and management services and dormant.

9.1 Business Segments

The segment revenue, segment results and segment assets for the financial period ended 30 September 2025 were as follows:

	Trading & Services	Manufacturing	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	557,380	15,668	169	-	573,217
Inter-company transactions	80,289	4,104	3,245	(87,638)	-
Total Sales	637,669	19,772	3,414	(87,638)	573,217
RESULTS					
Segment results	95	(56)	344	-	383
Finance cost	(8,985)	(150)	(312)	-	(9,447)
Interest income	199	10	6	-	215
Share of result in associated company	-	-	46	-	46
Taxation	5	(91)	(526)	-	(612)
Loss for the period	(8,686)	(287)	(442)	-	(9,415)
ASSETS	1,085,363	39,157	136,104	(197,483)	1,063,141
LIABILITIES	728,103	13,762	72,379	(198,440)	615,804

9.2 Geographical Segments

	3 months ended 30.09.2025 RM'000	**6 months ended 30.09.2025 RM'000**
External Sales		
Malaysia	169,447	329,054
APEC countries	123,292	231,791
Other countries	4,393	12,372
	297,132	573,217

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There was no material event in the interval between the end of the current quarter under review and the date of this report, any item, transaction or event of a material and unusual nature likely in the opinion of the Board of Directors, to affect substantially the results of the operations of the Group for the current quarter, except as disclosed below.

11. CHANGES IN THE COMPOSITION OF THE GROUP

Save for the following, there were no changes in the composition of the Group for the current quarter under review and financial period to-date.

(1) On 16 April 2025, Ann Yak Siong (Singapore) Pte. Ltd. ("AYS Singapore"), a wholly-owned subsidiary of AYS Capital Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, has subscribed for 298,000 ordinary shares in 3HA Capital Pte. Ltd. ("3HA Capital") for Singapore Dollar Two Hundred Ninety Eight Thousand (S$298,000.00) equivalent to RM1,000,982.00 ("Original Subscription").

On 7 November 2025, AYS Singapore has subscribed for additional 9,735,663 ordinary shares in 3HA Capital for cash consideration of Singapore Dollar Nine Thousand Seven Hundred and Thirty Five Thousand Six Hundred Sixty Three and Cents Sixty One only (S$9,735,663.61) equivalent to RM31,154,123.55 ("Additional Subscription").

Upon completion of the Additional Subscription, AYS Singapore owns 10,033,663 ordinary shares, representing 14.9% equity interest in 3HA Capital.

(2) On 29 September 2025, Ann Yak Siong (Singapore) entered into a Share Sale and Purchase Agreement with Mr. Ang Tee Seng for the acquisition of 1,050,000 ordinary shares, representing 15% of the entire issued and paid-up capital of Steelaris Pte. Ltd. ("Steelaris"), for a total cash consideration of SGD1,418,359.00.

The acquisition was completed on 30 September 2025, following which Steelaris became a 66%-owned subsidiary of AYSS, thereby increasing the Company's effective equity interest in Steelaris from 51% to 66%. The purchase consideration was fully satisfied in cash and funded through internal generated funds, and the purchase price was arrived at on a willing-buyer-willing-seller basis.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last reports and financial statements.

13. CAPITAL COMMITMENTS

The capital commitments as at 30 September 2025 were as follows:

Commitments in respect of capital expenditure	**RM'000**
(a) Contracted but not provided for	1,275
(b) Approved but not contracted for	2,939

14. COMMENTARY ON FINANCIAL PERFORMANCE

	Individual Period (2nd Quarter)				Cumulative Period			
	Current Quarter 30.09.2025 RM'000	Preceding Year Corresponding Quarter 30.09.2024 RM'000	Changes RM'000	Changes %	Current Year To-date 30.09.2025 RM'000	Preceding Year Corresponding Period 30.09.2024 RM'000	Changes RM'000	Changes %
Revenue	297,132	311,993	(14,861)	-4.76%	573,217	630,013	(56,796)	-9.02%
Operating (Loss)/Profit	(6,056)	(1,565)	4,491	>100%	81	(4,374)	(4,455)	>100%
(Loss)/Profit Before Interest and Tax	(5,819)	(1,353)	4,466	>100%	429	(3,876)	(4,305)	>100%
(Loss)/Profit Before Tax	(10,122)	(8,149)	1,973	24.21%	(8,803)	(16,526)	(7,723)	-46.73%
(Loss)/Profit After Tax	(10,451)	(8,586)	1,865	21.72%	(9,415)	(17,338)	(7,923)	-45.70%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(6,710)	(6,828)	(118)	-1.73%	(4,869)	(12,922)	(8,053)	-62.32%

For the second quarter ended 30 September 2025, the Group recorded revenue of RM297.132 million, a decrease of RM14.861 million or 4.76% compared to RM311.993 million for the corresponding quarter of the preceding year. The decrease in revenue was mainly due to lower contributions from the Trading & Services and Others divisions, offset partially by higher revenue in the Manufacturing division. Although sales volumes increased in both the Trading & Services and Manufacturing divisions, average selling prices were lower during the current quarter.

The Group recorded an operating loss of RM6.056 million for the current quarter, an increase in operating loss of RM4.491 million compared to RM1.565 million for the corresponding quarter of the preceding year. The Group recorded a loss before tax ("LBT") of RM10.122 million for the current quarter, an increase of RM1.973 million compared to RM8.149 million in the corresponding quarter of the preceding year. The increase in both operating loss and LBT were mainly attributable to lower gross profit margins resulting from competitive pricing pressures, a one-off staff rationalisation cost and higher net impairment of financial assets despite lower interest expenses incurred during the current quarter.

The Trading & Services division's revenue decreased by RM14.998 million to RM288.655 million for the current quarter compared to RM303.653 million for the corresponding quarter of the preceding year. The segment LBT increased by RM1.069 million to RM10.045 million for the current quarter compared to RM8.976 million for the corresponding quarter of the preceding year. The decrease in segment revenue was mainly attributable to lower average selling prices despite higher sales volumes. The increase in LBT was primarily due to compressed gross profit margins, a one-off staff rationalisation cost and higher net impairment of financial assets, partially offset by lower interest expenses during the current quarter.

The Manufacturing division's revenue increased by RM0.661 million to RM8.477 million for the current quarter compared to RM7.816 million for the corresponding quarter of the preceding year. The segment LBT decreased by RM0.100 million to RM0.068 million for the current quarter compared to RM0.168 million for the corresponding quarter of the preceding year. The increase in revenue was mainly driven by higher sales volumes despite lower average selling prices recorded during the current quarter. The reduction in LBT was primarily due to lower production costs resulting from improved production volumes.

15. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current Quarter 30.09.2025 RM'000	Immediate Preceding Quarter 30.06.2025 RM'000	Changes RM'000	%
Revenue	297,132	276,085	21,047	7.62%
Operating (loss)/ profit	(6,056)	6,137	(12,193)	>-100%
(Loss)/ Profit Before Interest and Tax	(5,819)	6,248	(12,067)	>-100%
(Loss)/ Profit Before Tax	(10,122)	1,319	(11,441)	>-100%
(Loss)/ Profit After Tax	(10,451)	1,036	(11,487)	>-100%
(Loss)/ Profit Attributable to Ordinary Equity	(6,710)	1,841	(8,551)	>-100%

The Group recorded revenue of RM297.132 million in the current quarter which was RM21.047 million or 7.62% higher than the RM276.085 million for the immediate preceding quarter. The higher revenue was mainly attributable to higher sales volumes in both the Trading & Services and Manufacturing divisions.

The Group operating profit decreased by RM12.193 million to operating loss of RM6.056 million in the current quarter compared to operating profit of RM6.137 for the immediate preceding quarter. The Group PBT decreased by RM11.441 million to LBT of RM10.122 million in the current quarter compared to PBT of RM1.319 million for the immediate preceding quarter. The decrease in both operating profit and PBT was mainly attributable to lower average selling prices, a one-off staff rationalisation cost and higher net impairment of financial assets coupled with the absence of gain on disposal of investment properties, which was recognised in the immediate preceding quarter. These factors outweighed the effect of higher sales volumes recorded in the Trading & Services and Manufacturing divisions.

The Trading & Services division's revenue increased by RM19.930 million to RM288.655 million for the current quarter compared to RM268.725 million for the immediate preceding quarter. The segment PBT decreased by RM11.399 million to LBT of RM10.045 million in the current quarter compared to PBT of RM1.354 million for the immediate preceding quarter. The increase in segment revenue was mainly due to higher sales volumes despite a lower average selling price during the current quarter. The increase in LBT was mainly due to a one-off staff rationalisation cost and the higher net impairment of financial assets in the current quarter coupled with the absence of gain on disposal of investment properties, which was recognised in the immediate preceding quarter.

The Manufacturing division's revenue increased by RM1.286 million to RM8.477 million for the current quarter compared to RM7.191 million for the immediate preceding quarter. The segment LBT decreased by RM0.060 million to RM0.068 million for the current quarter compared to RM0.128 million for the immediate preceding quarter. The increase in segment revenue and the lower LBT were mainly due to higher sales volumes recorded during the current quarter.

16. PROSPECTS

According to the International Monetary Fund's October 2025 update, the global economy is projected to expand by 3.2% in 2025, reflecting a modest improvement supported by resilient household spending and the gradual easing of inflationary pressures. Nonetheless, the global outlook remains uncertain amid persistent geopolitical tensions, uneven policy directions, and subdued external demand. While inflation continues to ease, it remains above central bank targets in several advanced economies, suggesting that interest rates are likely to stay elevated for an extended period. These factors may continue affecting global steel demand, trade flows and raw material prices.

Based on the advanced estimate by the Department of Statistics Malaysia, the Malaysian economy is expected to expand by 5.2% in the third quarter of 2025, an improvement from the previous quarter. The construction sector maintained its growth momentum, expanding 11.2% in 3Q 2025, supported by sustained domestic demand and ongoing infrastructure development. Public and private infrastructure projects, particularly under the 12th Malaysia Plan, are expected to continue supporting demand for steel and related materials.

In Singapore, the Ministry of Trade and Industry estimated a 2.9% year-on-year GDP growth for the third quarter of 2025. The construction sector expanded by 3.1%, supported by higher output from both the public and private sectors. This indicates a gradual recovery trend, particularly in infrastructure and industrial development, amid stable demand conditions and improved labour supply.

Given its close association with the construction and industrial sectors, the Group is well placed to benefit from the sustained activity levels in both Malaysia and Singapore. In the near term, the Board anticipates that the operating environment will remain challenging yet manageable, as the region continues to navigate elevated interest rates, volatile commodity prices, and foreign exchange rates volatility.

Despite these headwinds, the Group's healthy order book, established supplier network and regional presence are expected to provide a strong operational base. The Board remains confident in the Group's ability to navigate near term uncertainty through prudent financial management, enhancing productivity and operational efficiency, and broadening its customer base to strengthen the Group's long-term sustainability and competitiveness.

Barring any unforeseen circumstances, the Board is confident that the Group is well positioned to maintain stable operational activities and respond effectively to market developments. The Group will continue to monitor conditions closely and adjust its strategies proactively to ensure resilience and deliver consistent value to stakeholders.

17. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee for the financial year ended 30 September 2025.

18. TAXATION

The tax figures comprise of:

	3 months ended 30.09.25 RM'000	6 months ended 30.09.25 RM'000
Income tax		
- Current year taxation	329	703
- Prior year taxation	-	(91)
Deferred tax	-	-
	329	612

The Group's effective tax rate for the current quarter and year to-date under review was lower than the statutory tax rate of 24%, primarily due to losses recorded by certain subsidiaries for which no tax provision was recognised. This was partially offset by certain non-deductible expenses incurred during the quarter.

19. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not completed as at the latest practical date from the issuance of this report.

On 15 May 2025, Evolve Capital Advisory Private Limited had announced, for and on behalf of 3HA Capital Private Limited (the "Offeror", in which Ann Yak Siong (Singapore) Pte. Ltd. ("AYS Singapore"), the wholly owned subsidiary of AYS, has 14.9% interest) that the Offeror intends to make a voluntary conditional cash offer (the "Offer") for all the issued and paid-up ordinary shares (the "Shares") in the capital of CosmoSteel Holdings Limited (the "CosmoSteel"), a company listed on the Singapore Exchange Securities Trading Limited ("SGX"), in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore and Rule 15 of the Singapore Code on Take-overs and Mergers (the "Code") ("Offer Announcement").

On 5 June 2025, the Offeror disseminated the Offer Document and notified the shareholders of CosmoSteel that the Offer will close at 5.30 p.m. (Singapore time) on 3 July 2025 or such later date(s) as may be announced from time to time.

On 23 June 2025, the shareholders of CosmoSteel were notified that the final Offer Price had been revised to S$0.25 per Offer Share, representing a S$0.05 increase (or 25%) from the initial Offer Price of S$0.20.

On 7 July 2025, the Offeror announced that Minimum Acceptance Condition of the Offer had been satisfied and declared unconditional. Accordingly, the Closing Date for the Offer was extended from 5:30 p.m. (Singapore time) on 14 July 2025 to 5.30 p.m. (Singapore time) to 28 July 2025, or such later date(s) as may be announced from time to time.

<u>During the Offer period, the Offeror had also purchased Offer Shares from SGX as follows:</u>

Date	No. of Offer Shares purchased	Consideration paid per relevant share	Valid Acceptance (%)	Aggregate Holding (%)
24 July 2025	105,000	SGD 0.25	88.58	88.62
25 July 2025	382,200	SGD 0.25	88.72	88.91
28 July 2025	300,100	SGD 0.25	89.08	89.38
29 July 2025	232,900	SGD 0.25	89.34	89.73
31 July 2025	22,500	SGD 0.25	90.32	90.72

<u>Compulsory Acquisition</u>

On 31 July 2025, the Offeror, and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Offer) an aggregate of 237,103,895 Shares, representing approximately 90.72% of the total number of issued Shares of the Company.

On 1 August 2025, the Offeror announced the close of the Offer at 5.30 p.m. where the Offeror and its Concert Parties owned, controlled or have agreed to acquire an aggregate of 238,371,895 Shares, representing approximately 91.20% of the total number of Offer Shares.

As the amount owned and controlled had exceeded 90% of the total number of issued Shares after excluding treasury shares and other than those already held as at the date of the Offer by the Offeror and its related corporations, the Offeror announced its intention to exercise its right to compulsorily acquire all remaining shares held by dissenting shareholders at the final Offer Price of S$0.25 per share, in accordance with Section 215(1) of the Companies Act 2001.

Additionally, as the public float requirements under SGX-ST Listing Rules were no longer met (with public shareholding falling below 10%), SGX-ST had suspended the trading of CosmoSteel's shares at the close of the Offer.

On 15 August 2025, the Offeror dispatched to the Dissenting Shareholders a letter with regard its exercise of the right of compulsory acquisition under Section 215(1) of the Companies Act and the right of such Dissenting Shareholders under Section 215(3) of the Companies Act to require the Offeror to acquire the Shares held by them. The letter was accompanied by the relevant notices in the prescribed forms under the Companies Act, namely Form 57 (for Section 215(1)) and Form 58 (for Section 215(3)).

Following the completion of Compulsory Acquisition on 23 September 2025, CosmoSteel has become a wholly-owned subsidiary of the Offeror and has been delisted from the official list of the Singapore Exchange Securities Trading Limited effective on 24 September 2025.

20. BORROWINGS

The Group's borrowings as at 30 September 2025 are as follows:

	As At End of Current Quarter 30.09.2025 RM'000	As At End of Immediate Preceding Quarter 30.06.2025 RM'000
Short Term borrowings		
Secured	355,437	385,865
Long Term borrowings		
Secured	19,135	19,780
Total borrowings	374,572	405,645

The Group's borrowings decreased by RM31.073 million to RM374.572 million in the current quarter from RM405.645 million in the immediate preceding quarter, mainly attributable to lower inventory levels during the current quarter under review.

The Group's borrowings are denominated in Ringgit Malaysia.

21. FINANCIAL DERIVIATIVE INSTRUMENTS

Forward foreign exchange contracts are used to hedge foreign exchange risks associated with some of the transactions' exposure. As at end of the current quarter under review, the outstanding forward foreign currency exchange contracts are as follows:

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
Forward currency contracts	118,816	119,040

The fair value changes have been recognised in the financial statements.

22. MATERIAL LITIGATION

There was no material litigation for the quarter under review.

23. DIVIDEND

The Board of Directors does not recommend any dividend in respect of the financial quarter ended 30 September 2025.

24. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent for the period by the number of weighted average number of ordinary shares of the Company in issue for the respective period as follows:

	Individual Quarter		Cumulative Quarter	
	30.09.2025	**30.09.2024**	**30.09.2025**	**30.09.2024**
Profit/(Loss) attributable to owners of the parent (RM'000)	(6,710)	(6,828)	(4,869)	(12,922)
Number of ordinary shares in issue ('000)	418,459	418,459	418,459	418,459
Earnings/ (Loss) per share (sen)				
- Basic	(1.60)	(1.63)	(1.16)	(3.09)
- Diluted	N/A	N/A	N/A	N/A

Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the current quarter/period-to-date as there are no potential ordinary shares to be issued.

25. INCLUDED IN THE TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ARE THE FOLLOWINGS:

	3 months ended 30.09.2024 RM'000	6 months ended 30.09.2025 RM'000
Interest Income	36	215
Other Income including Investment Income	364	1,322
Interest Expenses	4,339	9,447
Depreciation & Amortisation	2,666	5,007
Provision for/Write off of Receivables	1,282	746
Provision for/Write off of Inventories	-	-
Reversal of obsolete stock no longer required	-	383
Gain/(Loss) on Disposal of Quoted and Unquoted Investment or Properties	-	4,086
Gain/(Loss) on Foreign Exchange		
- Realised	(83)	(2,874)
- Unrealised	654	2,787
Gain/(Loss) on Derivatives	-	-
Impairment of Goodwill	-	-

26. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 November 2025.

By Order of the Board
Leong Oi Wah (MAICSA 7023802)
SSM Practising Certificate No. 201908000717
Company Secretary
24 November 2025
Selangor Darul Ehsan