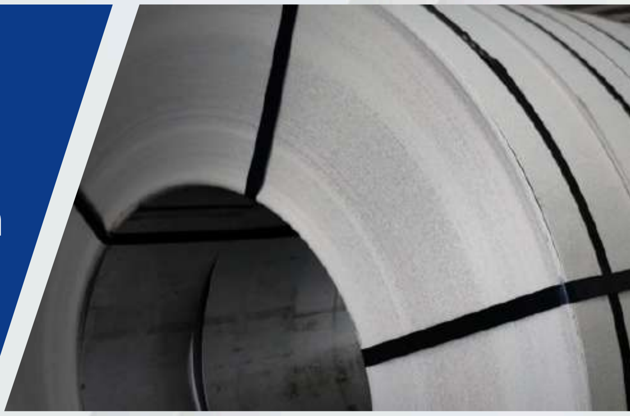
ANNUAL REPORT 2025

COLFORM

From Concept to Completion



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2^{nd} ANNUAL GENERAL MEETING

Date
26 May 2026

Time
10:30am

Location
Colform Group Berhad (HQ)
Lot 8, Jalan 2A KKIP Timur,
Industrial Zone 12 (IZ12),
Kota Kinabalu Industrial Park,
89208 Tuaran, Sabah

ONLINE ANNUAL REPORT

Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code or download at www.colform.com.my

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ABOUT COLFORM GROUP BERHAD

Colform Group Berhad and its subsidiaries have grown from a roofing manufacturing business into a comprehensive integrated steel solutions provider with over 20 years of experience, delivering end-to-end services across manufacturing and processing, trading, supply and installation, as well as project management services.

MANUFACTURING & SUPPLY OF STEEL PRODUCTS

We specialise in the manufacturing and supply of steel roofing, steel cladding, IBS steel framing systems, roof truss systems, floor deck, and the processing of steel coils. Our expertise in steel construction ensures high-quality solutions for both government and commercial projects.

TRADING OF CONSTRUCTION MATERIALS

Alongside our manufacturing capabilities, we trade essential downstream steel products, including Kalsi fibre cement boards, insulation, fasteners, highway guardrails, and other construction accessories to meet the growing demands of the construction industry.

SUPPLY, INSTALLATION, AND PROJECT MANAGEMENT

We offer supply, installation, and project management services, ensuring timely project delivery. Our specialised team also handles the design, fabrication, delivery and installation of IBS steel framing systems and roof truss systems.

VISION

Aim to be the leading manufacturer and service provider in the Steel Construction Industry.

MISSION

To enhance and improve product quality, to provide total commitment to customer satisfaction.

CORE VALUES

- Professionalism
- Quality
- Intergrity

GROUP STRUCTURE

COLFORM GROUP BERHAD
Registration No. : 202301047970 (1541884-H)

100%
CSB
COLFORM SDN. BHD.
Registration No. : 200301003525 (605945-H)

100%
CSSB
COLFORM STEEL SDN. BHD.
Registration No. : 200901016819 (859915-H)

65%
FISB
FRAMETECH IBS SDN. BHD.
Registration No. : 202001005819 (1362139-D)

OPERATIONAL FACILITIES

KOTA KINABALU FACTORY

Headquarters, manufacturing and processing site, office and storage area

Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah

103,738 sq ft

SANDAKAN FACTORY

Manufacturing and processing site, office and storage area

Sedco Light Industrial Estate, 90000 Sandakan, Sabah

37,345 sq ft

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK IR. HJ. ALI AHMAD BIN HAMID
Independent Non-Executive Chairman

KANG KET HUNG
Managing Director

KANG PHUI TING
Non-Independent Executive Director

KANG PHUI YIE
Non-Independent Executive Director

NOOR ILIENNA RAHAYU BINTI IBRAHIM
Independent Non-Executive Director

TAN KUNG MING
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

CHAIRMAN
- Tan Kung Ming

MEMBERS
- Datuk Ir. Hj. Ali Ahmad Bin Hamid
- Noor Ilienna Rahayu Binti Ibrahim

REMUNERATION COMMITTEE

CHAIRMAN
- Tan Kung Ming

MEMBERS
- Datuk Ir. Hj. Ali Ahmad Bin Hamid
- Noor Ilienna Rahayu Binti Ibrahim

NOMINATION COMMITTEE

CHAIRPERSON
- Noor Ilienna Rahayu Binti Ibrahim

MEMBERS
- Datuk Ir. Hj. Ali Ahmad Bin Hamid
- Tan Kung Ming

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81,
Jalan SS21/60, Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan
Tel. No. : (603) 7725 1777
Email : info@cospec.com.my

HEAD OFFICE

Lot 8, Jalan 2A KKIP Timur,
Industrial Zone 12 (IZ12),
Kota Kinabalu Industrial Park,
89208 Tuaran, Sabah
Tel. No. : (6088) 472 221
Email : info@colformgroup.com

WEBSITE

www.colform.com.my

COMPANY SECRETARIES

Tea Sor Hua
(MACS 01324)
(SSM PC No. 201908001272)

Thien Mui Yee
(LS0010901)
(SSM PC No. 202508000287)

AUDITORS

TGS TW PLT
(202106000004 (LLP0026851-LCA) & AF002345)

Unit E-16-2B, Level 16,
Icon Tower (East),
No 1, Jalan 1/68F,
Jalan Tun Razak,
50400 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : (603) 9771 4326
Fax No. : (603) 9771 4327

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : (603) 2783 9299
Fax No. : (603) 2783 9222
Email : is.enquiry@vistra.com

SPONSOR

Mercury Securities Sdn. Bhd.

L-7-2, No. 2, Jalan Solaris,
Solaris Mont' Kiara,
50480 Kuala Lumpur,
Wilayah Persekutuan
Tel. No. : (603) 6203 7227
Fax No. : (603) 6203 7117

PRINCIPAL BANKERS

- Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
- AmBank Islamic Berhad
- Maybank Islamic Berhad
- OCBC Bank (Malaysia) Berhad
- Public Islamic Bank Berhad
- RHB Bank Berhad
- United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : COLFORM
Stock Code : 0341

KEY MILESTONES

2003

Colform Sdn. Bhd. commenced operations in Sandakan from a modest rented factory where we manufactured our first in-house roofing sheets in Sandakan. We subsequently expanded into **roofing accessories** and **in-house purlin manufacturing**, enabling us to offer more comprehensive and reliable roofing solutions.

2008

Our pursuit of excellence led us to obtain **ISO 9001 certification** for Quality Management System, through Colform Sdn. Bhd., underscoring our commitment to quality and customer satisfaction.

We acquired a parcel of land measuring approximately 68,840 sq ft in Sandakan.

2009

Construction of our Sandakan factory commenced following the acquisition of the land.

We diversified into the **steel processing sector** with the **incorporation of Colform Steel Sdn. Bhd.** as a subsidiary of Colform Sdn. Bhd.

2011

Our vision was coming to life with **the completion of our Sandakan factory**, covering built-up area of approximately 37,345 sq ft.

This new facility allowed us to moved from our rented space to a dedicated production hub, meeting the increasing demand of our products.

2012

We took another leap **commencing the steel processing business** under Colform Steel Sdn. Bhd. This subsidiary focused on transforming steel coils into slit steel, a core material for our roofing products.

This strategic expansion gave us greater control over raw materials, driving efficiencies and reducing production costs, allowing us to reliably provide our services, while also enabling us to offer a broader range of products to the market.

2014

We expanded our footprint with the **acquisition of land in Kota Kinabalu**, setting the stage for a new manufacturing facility. This move was part of our strategy to better serve our growing customer base across Sabah from **Concept to Completion**.

2016

Colform Sdn. Bhd. obtained **CIDB G3 certification**, enabling us to carry out building construction and civil engineering works and **expand our offerings to include installation services**, further solidifying our position as a comprehensive provider in the roofing and construction industry.

2017

Through Colform Sdn. Bhd., we obtained CIDB certification as an **IBS manufacturer** specialising in lightweight roof trusses. This certification opened doors for us to venture into innovative construction solutions, meeting the needs of modern and sustainable construction projects.




2018

Colform Sdn. Bhd. was officially **registered with JKR as a trusted supplier** for prefabricated cold-formed steel roof trusses, allowing us to expand our reach and participate in essential government projects.

2019

We commenced the **construction of our Kota Kinabalu factory** following the acquisition of a parcel of land in Kota Kinabalu Industrial Park. This strategic expansion was aimed at enhancing our production capabilities, ensuring we could meet the rising demands of our clients with precision and reliability.

2020

This year marked the **birth of Frametech IBS Sdn. Bhd.**, our dedicated subsidiary for IBS steel framing systems. This new venture allowed us to focus on **design, supply, and installation**, opening doors to exciting projects in the construction industry.

2021

We are selected as a supplier for the **Sekolah Daif Improvement Project**, our first significant involvement in government projects.

2022

Frametech IBS Sdn. Bhd. registered with CIDB as a **G5 contractor**, enabling us to undertake building construction, civil engineering, and mechanical engineering works.

Our guardrails were approved by JKR and listed on JKR's Road Material Approved List, allowing us to supply these essential components for critical highway infrastructure projects across Malaysia.

2023

Colform Sdn. Bhd. reached a new level of capability after registering with CIDB as a **G6 contractor** to carry out works regarding IBS steel framing system, building construction, civil engineering and mechanical engineering works.

The **completion of our Kota Kinabalu Factory**, now covering built-up area of 103,738 sq ft, marked a key milestone by enhancing our production capacity and providing designated spaces for **manufacturing, processing, and logistics**, supporting our commitment to quality and efficiency.

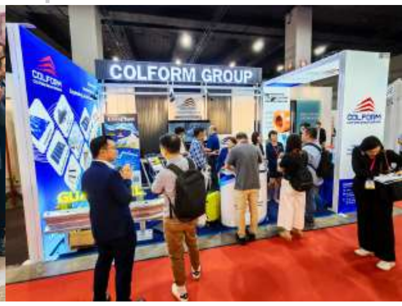
2024

It was a year of solid and steady growth for our Group. We maintained consistent operational excellence and achieved a significant **revenue milestone of RM100 million**.

2025

Colform Group Berhad was successfully **listed on the ACE Market of Bursa Malaysia Securities Berhad** and continues to build on its growth momentum.

As part of our expansion, the Group is undertaking the construction of a **new storage facility** and the **establishment of a colour coil coating production line** within Kota Kinabalu Industrial Park, both expected to be completed in 2026, representing a significant step in enhancing our manufacturing capabilities and supporting future demand.

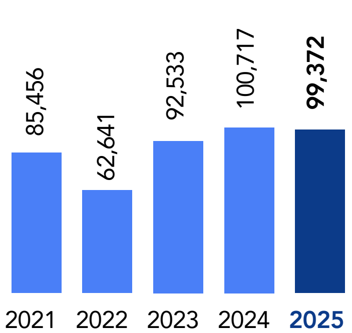


5-YEARS' FINANCIAL HIGHLIGHTS

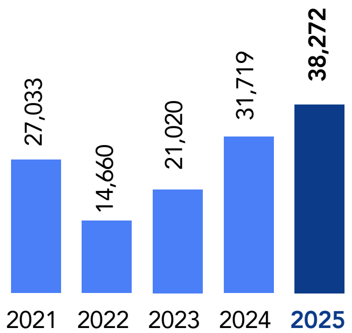
FINANCIAL YEAR ENDED 31 DECEMBER	2021	2022	2023	2024	2025
Financial Results (RM'000)					
Revenue	85,456	62,641	92,533	100,717	99,372
Gross Profit	27,033	14,660	21,020	31,719	38,272
Profit Before Tax	22,867	9,852	16,237	25,384	28,204
Profit After Tax	17,528	7,580	12,736	18,878	19,967
Financial Position (RM'000)					
Total Assets	98,916	104,657	105,087	117,321	165,575
Total Borrowings	5,894	6,074	18,028	9,192	6,969
Shareholders' Equity	66,907	72,189	77,664	94,688	144,109
Financial Indicators					
Gross Profit Margin (%)	31.63	23.40	22.72	31.49	38.51
Profit Before Tax Margin (%)	26.76	15.73	17.55	25.20	28.38
Profit After Tax Margin (%)	20.51	12.10	13.76	18.74	20.09
Basic Earnings Per Share (sen)	2.85 (1)	1.19 (1)	2.54 (1)	3.64 (1)	2.95 (2)

Note:
(1) *Calculated based on the profit attributable to owners of the Company divided by the total number of ordinary shares assumed to be in issue before the Company's Initial Public Offering ("IPO") but after the pre-IPO restructuring.*
(2) *Calculated based on the profit attributable to owners of the Company divided by the total number of weighted average ordinary shares in issue during the financial year.*

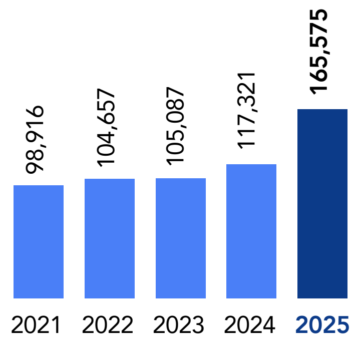
REVENUE (RM'000)



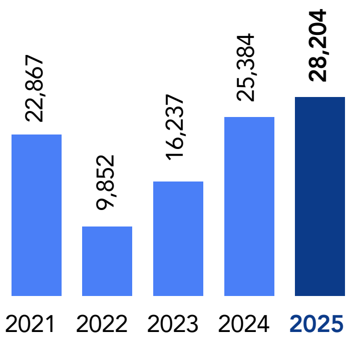
GROSS PROFIT (RM'000)



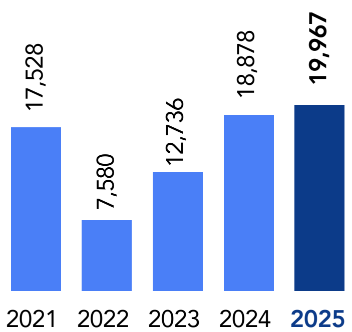
TOTAL ASSETS (RM'000)



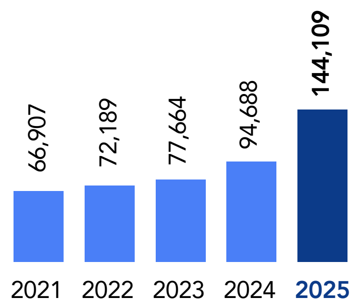
PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



KEY FINANCIAL HIGHLIGHTS

REVENUE
RM99.37 million

FYE 2024 | RM100.72 million

PROFIT BEFORE TAX
RM28.20 million

FYE 2024 | RM25.38 million

GROSS PROFIT
RM38.27 million

FYE 2024 | RM31.72 million

PROFIT AFTER TAX
RM19.97 million

FYE 2024 | RM18.88 million

TOTAL ASSETS
RM165.58 million

FYE 2024 | RM117.32 million

SHAREHOLDERS' EQUITY
RM144.11 million

FYE 2024 | RM94.69 million

DIRECTORS' PROFILE

DATUK IR. HJ. ALI AHMAD BIN HAMID

Independent Non-Executive Chairman

Nationality
Malaysian

Age
64

Gender
Male

Date of Appointment
28 May 2024

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Bachelor of Civil Engineering, Universiti Teknologi Malaysia (1985)
- Master of Engineering in Soil Mechanics and Foundation Engineering, Heriot-Watt University, United Kingdom (1988)
- Member, Institution of Engineers Malaysia (since 2009)
- Professional Engineer, Board of Engineers Malaysia (since 2010)
- Professional Engineer with Practising Certificate (since 2015)

Professional Experience

Datuk Ir. Hj. Ali Ahmad Bin Hamid has over 35 years of experience in civil engineering and public infrastructure development. He began his career with the Public Works Department (JKR) Sabah in 1985, playing a key role in soil investigations, structural design, and infrastructure planning across various districts.

Over the years, he served in multiple leadership positions within JKR including Chief Assistant Director of both the Highway and Road Divisions at the JKR Sabah Headquarters. He actively coordinated with federal and state agencies on infrastructure projects under various Malaysia Plans and contributed to regional development efforts such as Sosial Ekonomi Malaysia Indonesia (SOSEK-MALINDO) and Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area ("BIMP-EAGA") frameworks.

He was later promoted to Deputy Director in 2016 and subsequently to Director of JKR Sabah in 2020, where he was responsible for major decision-making on infrastructure initiatives and technical advisory to government bodies. He retired from public service in 2022. He currently serves as director in several private limited companies.

Board Committees

- Member of the Audit and Risk Management Committee (Appointed on 29 May 2025)
- Member of the Remuneration Committee (Appointed on 29 May 2025)
- Member of the Nomination Committee (Appointed on 29 May 2025)

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest with the Company

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

KANG KET HUNG
Managing Director

Nationality
Malaysian

Age
45

Gender
Male

Date of Appointment
4 December 2023

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Bachelor of Commerce in International Business and Electronic Commerce, Curtin University of Technology (now Curtin University), Australia (2002)

Professional Experience

Mr. Kang Ket Hung has over 23 years of experience in the manufacturing and trading of steel roofing and steel-related products. He is primarily responsible for steering the Group's strategic direction, formulating business plans, and overseeing day-to-day operations.

He began his career in 2002 as a Sales Executive at Doors Plus Holdings Pty Ltd, Australia. In 2003, he returned to Malaysia and joined his family business, Kang Ming Trading Sdn. Bhd., where he was involved in sales, supplier sourcing, and operations.

That same year, he co-founded Colform Sdn. Bhd. with Mr. Kang Ah Hin to venture into steel roofing manufacturing. He later co-founded Colform Steel Sdn. Bhd. in 2009 to expand into steel processing and Frametech IBS Sdn. Bhd. in 2020 to focus on Industrialised Building System steel framing business. He has served as a Director of all three subsidiaries of the Company, playing a critical role in driving operational growth and strategic expansion.

Though still a director of Kang Ming Trading, he has not been involved in its daily operations since 2005.

Board Committees

None

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

He is the brother of Ms. Kang Phui Ting (Non-Independent Executive Director) and Ms. Kang Phui Yie (Non-Independent Executive Director and Major Shareholder).

He is also a director and major shareholder of Kang Ming Trading Sdn. Bhd., which is a major shareholder of the Company.

Conflict of Interest with the Company

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, except as disclosed in the Notes to the Audited Financial Statements of this Annual Report and the recurrent related party transactions of a revenue or trading nature disclosed in the Circular to Shareholders dated 27 April 2026.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

DIRECTORS' PROFILE

KANG PHUI TING

Non-Independent Executive Director

Nationality
Malaysian

Age
47

Gender
Female

Date of Appointment
23 May 2024

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Bachelor of Commerce (Accounting), Curtin University of Technology (now Curtin University), Australia (2002)

Professional Experience

Ms. Kang Phui Ting has over 21 years of experience in accounting, procurement, logistics, and operations. She began her career in 2002 as an Admin Clerk at a packaging manufacturing company in Kuala Lumpur, handling basic bookkeeping and administrative functions.

In 2003, she joined Nippon Steel Construction Malaysia Sdn Bhd as an Accounts and Admin Clerk, managing payroll, supplier payment records, and other administrative responsibilities.

In 2005, she returned to Sandakan and joined her family business, Kang Ming Trading Sdn. Bhd., as a Director. She oversaw procurement and logistics, and currently holds a 15% equity interest in the company. Since 2010, she has been focusing full-time on Colform Sdn. Bhd. as its Operations Manager, where she continues to oversee supply chain operations, warehousing, and logistics for the Group. Her involvement has been integral in scaling the Group's procurement efficiency and logistical capacity.

Board Committees

None

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

She is the sister of Mr. Kang Ket Hung (Managing Director and Major Shareholder) and Ms. Kang Phui Yie (Non-Independent Executive Director and Major Shareholder).

She is also a director and major shareholder of Kang Ming Trading Sdn. Bhd., which is a major shareholder of the Company.

Conflict of Interest with the Company

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, except as disclosed in the Notes to the Financial Statements of this Annual Report and the recurrent related party transactions of a revenue or trading nature disclosed in the Circular to Shareholders dated 27 April 2026.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

KANG PHUI YIE

Non-Independent Executive Director

Nationality
Malaysian

Age
38

Gender
Female

Date of Appointment
28 May 2024

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Higher Diploma in Hospitality Management, Taylor's University (2009)
- Bachelor of Hospitality Management, Robert Gordon University, United Kingdom (2010)

Professional Experience

Ms. Kang Phui Yie began her career in 2011 as a Sales Executive at Swissma Building Technologies Sdn Bhd, where she handled client acquisition and sales of roofing materials.

In 2013, she joined Colform Sdn. Bhd. as Sales and Marketing Manager, overseeing operations across hardware dealers, project sales, and government project sectors. She also led the formulation of sales strategies and business development plans.

In 2016, with the Group's entry into installation services, she assumed leadership of the Project and Technical Design Department.

In 2020, she co-founded Frametech IBS Sdn. Bhd. with the goal of formalising the Group's Industrialised Building System's ("IBS") steel framing business. She remains a Director of Frametech IBS Sdn. Bhd. and is currently responsible for IBS project procurement, design, and execution.

Board Committees

None

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

She is the sister of Mr. Kang Ket Hung (Managing Director and Major Shareholder) and Ms. Kang Phui Ting (Non-Independent Executive Director).

She is also a major shareholder of Kang Ming Trading Sdn. Bhd., which is a major shareholder of the Company.

Conflict of Interest with the Company

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries, except as disclosed in the Notes to the Financial Statements of this Annual Report and the recurrent related party transactions of a revenue or trading nature disclosed in the Circular to Shareholders dated 27 April 2026.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

DIRECTORS' PROFILE

NOOR ILIENNA RAHAYU BINTI IBRAHIM

Independent Non-Executive Director

Nationality
Malaysian

Age
41

Gender
Female

Date of Appointment
28 May 2024

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Bachelor of Laws (LL.B), International Islamic University Malaysia (2010)
- Advocate & Solicitor of the High Court of Malaya (since 2010)
- Advocate & Solicitor of the High Court of Sabah and Sarawak (since 2013)
- Postgraduate Diploma in Judiciary and Advocatory Practice, Universiti Sains Islam Malaysia (2025)

Professional Experience

Pn. Noor Ilienna Rahayu Binti Ibrahim began her legal career in 2010 as a Legal Assistant at Messrs Mohamed Ridza & Co, where she was involved in corporate conveyancing, legal due diligence, and advisory work for financial institutions.

In 2012, she returned to Sandakan and commenced pupillage at Messrs Ken Yong & Co. Following her admission as an Advocate and Solicitor of the High Court of Sabah and Sarawak in 2013, she was retained as Legal Assistant and later promoted to Partner in 2018. Her responsibilities spanned conveyancing, corporate law, family law, probate, and civil and criminal litigation.

In 2020, she co-founded her own legal firm, Messrs Ibrahim & Chang, where she currently serves as Partner, continuing her comprehensive legal practice and leading its operations.

Board Committees

- Chairperson of the Nomination Committee
- Member of the Audit and Risk Management Committee
- Member of the Remuneration Committee

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest with the Company

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

TAN KUNG MING

Independent Non-Executive Director

Nationality
Malaysian

Age
56

Gender
Male

Date of Appointment
28 May 2024

Board Meetings Attended
5 / 5

Academic / Professional Qualifications

- Sijil Tinggi Persekolahan Malaysia, Sekolah Menengah St. Mary, Sandakan (1990)
- Certified Public Accountant, MICPA (1999)
- Chartered Accountant, Malaysia Institute of Accountants (since 2003)
- Licensed Tax Agent, Ministry of Finance (since 2007)

Professional Experience

Mr. Tan Kung Ming began his career in 1991 as a Junior Audit Assistant with KPMG Peat Marwick in Sandakan. Over the years, he progressed through various roles, including Audit Assistant and Senior Audit Assistant, managing audit assignments ranging from SMEs to public-listed groups.

In 1996, he joined Approfit (KK) Sdn Bhd as a Corporate Planning Executive, and later, its affiliate Seattle Realty Sdn Bhd as Corporate Manager. He held accounting roles at Sri Somaha (S) Sdn Bhd and Zung Zang Holdings Sdn Bhd before joining Priceworth Industries Sdn Bhd in 2001 as Group Accountant. There, he was involved in the group's listing exercise and oversaw public reporting and regulatory compliance.

In 2003, he established his own firm, TKM & Co, where he continues to serve as Partner, offering accounting, taxation, company secretarial, and consultancy services.

Board Committees

- Chairman of the Audit and Risk Management Committee (Appointed on 29 May 2025)
- Chairman of the Remuneration Committee
- Member of the Nomination Committee

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia

None

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest with the Company

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025

Nil

KEY SENIOR MANAGEMENT PROFILE

YVONNE LYE YEE WEN

Group Accountant

Nationality
Malaysian

Age
38

Gender
Female

Date of Appointment
19 June 2023

Academic / Professional Qualifications

- Bachelor of Accounting (Hons), Universiti Malaysia Sabah (2013)
- Chartered Accountant, Malaysia Institute of Accountants (since 2017)

Professional Experience

Ms. Yvonne Lye Yee Wen brings over a decade of experience in audit, financial reporting, and corporate finance. She started her career in 2013 as an Audit Associate in firms such as KPMG PLT, Ernst & Young, and FS Chen & Associates (now Jeta PLT), subsequently promoted to Audit Senior Associate, where she was involved in audit assignments for various industries.

In 2017, she joined Kretam Holdings Berhad as an Accounts Executive and was promoted to Accountant, managing accounting functions and financial systems for its oil mill division. In 2019, she joined Coastal Contracts Bhd., where she was involved in corporate finance, investor communications, and due diligence work for project investments.

She joined Colform Group Berhad in 2023 as Group Accountant and currently leads the accounts and finance department. She supports the Managing Director in financial reporting and secretarial matters as well as tax compliance matters in relation to the business operation of the Group.

Family Relationship with any Directors and/or Major Shareholders

She does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest with the Company

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

LIEW TEK FUI

Human Resource & Admin Manager

Nationality
Malaysian

Age
43

Gender
Male

Date of Appointment
17 June 2023

Academic / Professional Qualifications

- Preliminary English for Business Certificate, LCCI (2002)
- Level 2 Certificate in Book-Keeping and Accounts LCCI, (2002)
- Level 3 Group Diploma in Cost Accounting and Diploma in Accounting, LCCI (2003)

Professional Experience

Mr. Liew Tek Fui began his career in 2004 as an Audit Clerk at Quek & Company before holding various accounting roles in private companies. In 2012, he joined Colform Steel Sdn. Bhd. (a subsidiary of the Group) as Account Executive, where he handled financial reporting, payroll, tax, and human resource functions.

In 2023, he was promoted to Human Resource & Taxation Manager and he responsible on the handling Group's HR and tax functions exclusively. On 1 June 2025, he was re-designated as the position of Human Resource & Admin Manager, where he assumed responsibility for the Group's HR and administrative functions.

Family Relationship with any Directors and/or Major Shareholders

He does not have any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest with the Company

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Directorship(s) in the Other Public Companies and Listed Issuers in Malaysia	None
Other than traffic offences, the list of conviction for any offences within the past 5 years and any public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025	Nil

CHAIRMAN'S STATEMENT

"Dear Shareholders,

*On behalf of the Board of Directors ("**Board**") of Colform Group Berhad ("**Colform**" or "**Company**"), I am pleased to present our annual report and financial statements for the financial year ended 31 December 2025 ("**FYE 2025**")."*

Datuk Ir. Hj. Ali Ahmad Bin Hamid
Independent Non-Executive Chairman

STRATEGIC INITIATIVES TO SUPPORT SUSTAINABLE GROWTH

The past year represented a phase of consolidation and focused execution, as the Company and its subsidiaries ("**Group**") strengthened our operational foundation, expanded geographical footprint, and further reinforced long-term growth strategy to support sustainable future performance.

FYE 2025 also marked a year of operational strengthening and strategic expansion, primarily focussed on disciplined growth and capability enhancements. The Group continued to exercise prudent financial management in the utilisation of both internally generated funds and IPO proceeds, which were strategically allocated to support business expansion initiatives, enhance production efficiency, and solidify our market position as a supplier of choice in the steel manufacturing and processing industry.

FINANCIAL PERFORMANCE IN THE FYE 2025

For the FYE 2025, the Group recorded revenue of RM99.37 million, reflecting sustained demand for our products and services. The manufacturing of downstream steel products and processing of steel coils division remained the Group's primary revenue contributor, generating RM56.20 million or 56.56% of total revenue. The trading of other downstream steel products and building materials division contributed RM23.75 million, representing approximately 23.90% of total revenue, while the supply, installation and project management services for construction projects division accounted for RM19.42 million, or approximately 19.54% of the Group's total revenue for the year.

Gross profit for the year amounted to RM38.27 million, translating into a gross profit margin of 38.51%. Profit before tax ("**PBT**") stood at RM28.20 million, while profit after tax ("**PAT**") amounted to RM19.97 million. PBT and PAT margins were 28.38% and 20.09%, respectively. The Group's strong revenue performance was complemented by healthy profit margin, reflecting our ability to sustain solid earnings, maintain operational resilience, and exercise prudent cost management amid a challenging and competitive business environment.

Overall, the Group maintained a resilient financial position, supported by a balanced and integrated business model.

STRATEGIC INVESTMENTS AND OPERATIONAL ENHANCEMENTS

The Group remains committed to strengthening our operational facilities as part of ongoing business expansion efforts to support sustainable growth and long-term prospects.

CHAIRMAN'S STATEMENT

STRATEGIC INVESTMENTS AND OPERATIONAL ENHANCEMENTS (CONT'D)

The development of the colour coil coating production line remains a key strategic priority for the Group, supporting greater product differentiation and reducing reliance on external suppliers upon its completion. The steady progress made during the year on the establishment of the colour coil coating production line, will dovetail with the Group's strategy to strengthen our technical and operational capabilities. Once commissioned during the financial year ending 31 December 2026, this new facility is expected to broaden the Group's value-added offerings with enhanced margin sustainability.

In parallel, the Group continued to make steady progress on the construction of a new storage facility adjacent to our existing Kota Kinabalu factory within the Kota Kinabalu Industrial Park. This expansion is intended to enhance warehousing capacity and inventory management, accommodating increased volumes of raw materials and finished goods from both existing and new operations, while improving supply chain efficiency and delivery timeliness.

On the other hand, the Group acquired a parcel of leasehold industrial land measuring approximately 29,595 square meters located within Pulau Indah Industrial Park (PIIP), a major industrial hub in Klang, Selangor, supporting diverse sectors such as manufacturing, logistics, and warehousing, alongside integrated residential and commercial developments. The area offers good business potential due to its strategic location, accessibility and connectivity, providing a solid foundation to tap on a much larger market size for the Group's future growth opportunities. Following the completion of acquisition and the handover of vacant possession, the land is intended for the construction of new production facilities and office, establishing a long-term operational hub in the central region of Peninsular Malaysia. This strategic investment reinforces the Group's commitment to expanding manufacturing footprint in Peninsular Malaysia and strengthening our distribution capabilities nationwide.

SUSTAINABILITY COMMITMENT

Sustainability encapsulating material economic, environmental, social and governance factors remain core elements of the Group's sustainability strategy. As a key player in the downstream steel industry, the Group places strong emphasis on operational efficiency and responsible resource and waste management. In addition, responsible sourcing practices and support for local suppliers remained the Group's broader efforts to contribute positively to the communities in which it operates.

The Group is committed to upholding rigorous quality and compliance standards, as evidenced by its certifications and licences, including ISO 9001:2015 quality management systems and accreditations from the Standard and Industrial Research Institute of Malaysia (SIRIM) and the Construction Industry Development Board Malaysia (CIDB). These certifications and accreditations support the Group's commitment to maintaining consistent product quality, enhance operational safety and health practices, and improve technical competencies in our business operations.

The Group continues to optimise material usage, strengthen waste management practices, and enhance energy efficiency across all production and operational facilities. We also aim to reduce greenhouse gas (GHG) emissions and chemical waste, by further improving energy efficiency through advanced technologies and environmentally friendly production processes, such as the establishment of the colour coil coating production line.

In line with the Occupational Safety and Health Act (OSHA) Malaysia, the Group maintains workplace safety through stringent safety measures, regular training programmes, and comprehensive risk management protocols, fostering a secure working environment for all employees. Workplace development remains a priority for the Group, supported by structured training programmes and skills enhancement initiatives.

From a governance perspective, the Board upholds transparency, integrity, and accountability in accordance with the Malaysian Code on Corporate Governance (MCCG). Strong internal controls and comprehensive risk management frameworks remains central to safeguarding the Group's assets and shareholders' interests.

CHAIRMAN'S STATEMENT

PROSPECTS

The economic outlook in Malaysia continues to present constructive opportunities, supported by ongoing infrastructure development, industrial expansion, and stable domestic demand. Government-led and private sector initiatives across Sabah, Sarawak, and Peninsular Malaysia are expected to sustain momentum in the construction sector, thereby supporting continued demand for downstream steel products and building materials.

According to projections by the International Monetary Fund (IMF), global economy growth is expected to remain resilient at approximately 3.30% in year 2026 and 3.20% in year 2027. Meanwhile, the World Steel Association forecasts a modest rebound in global steel demand of 1.30% in year 2026, driven by improving financial conditions and increased public infrastructure investments, notwithstanding ongoing uncertainties in global trade and geopolitical tensions.

Malaysia's economy is expected to grow between 4.00% and 4.50% in year 2026. The government's record RM419.20 billion allocations in Malaysia's Budget 2026, including RM81.00 billion earmarked for development expenditure, underscores its commitment to fostering economic growth and strengthening social protection. Notably, the budget includes the highest-ever development expenditure allocations of RM6.90 billion for Sabah and RM6.00 billion for Sarawak, which are anticipated to support these 2 states' infrastructure development and economic expansion.

Aligned with major national projects in Sabah and Sarawak, including the Pan Borneo Highway and Sarawak Sabah Link Road (SSLR) Phase 2, these initiatives are expected to drive strong demand for downstream steel products in the coming years. Harnessing ongoing government and private sector initiatives and steady expansion of the construction sector, the Group is strategically positioned to capitalise on emerging opportunities and deliver sustainable value to both shareholders and other stakeholders.

REWARDING OUR LOYAL SHAREHOLDERS

In line with the Group's performance and commitment to delivering shareholders' value, the Company paid a first interim single-tier dividend of 1.30 sen per ordinary share amounting to RM7.80 million for the FYE 2025 on 26 September 2025. The dividend of 1.30 sen per share translate to a dividend payout ratio of 44.07% based on earnings per share of 2.95 sen in the FYE 2025.

"First Interim Dividend
1.30 Sen Per Ordinary Share"

The Board remains committed to delivering sustainable business growth while balancing shareholders' returns, after taking into consideration the availability of adequate distributable reserves, operating cash flows, financial commitments, and capital requirements required to support the Group's ongoing expansion and future business growth initiatives.

ACKNOWLEDGEMENT

On behalf of the Board, I extend our sincere appreciation to our shareholders, customers, business partners, and regulatory authorities for their continued trust and confidence.

I would also like to recognise the dedication and professionalism of our management team and employees. Their collective efforts remain fundamental to the Group's continued progress.

As we move forward, Colform remains committed to disciplined growth, operational excellence, and long-term value creation. With strengthened capabilities and expanded market reach, we are confident in building a more resilient and competitive organisation in the years ahead.

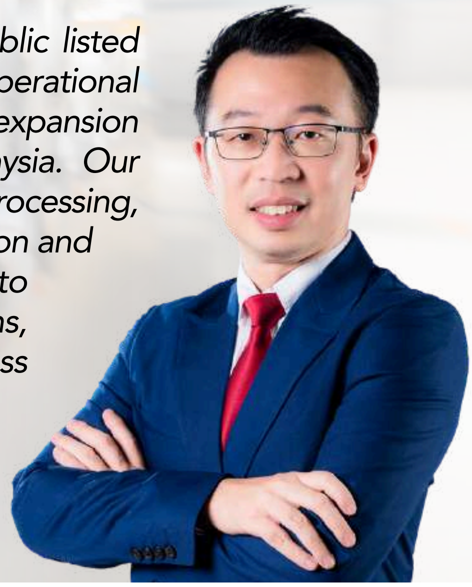
DATUK IR. HJ. ALI AHMAD BIN HAMID
Independent Non-Executive Chairman

MANAGING DIRECTOR'S STATEMENT

"Dear Shareholders,

*The financial year ended 31 December 2025 ("**FYE 2025**") was a historical milestone for the Colform Group Berhad ("**Colform**" or "**the Company**") following our successful listing on the ACE Market of Bursa Securities Malaysia Berhad ("**Bursa Securities**") on 10 February 2025. As a newly listed public company, we entered the year with resolute and clear commitments to deliver sustainable performance, strengthen governance frameworks, and disciplined execution of our growth strategies with agility. I am pleased to report that the Company and its subsidiaries ("**Group**") achieved a strong and resilient performance while making meaningful progress in advancing our strategic expansion initiatives.*

FYE 2025, being our first reporting year as a public listed company, was characterised by disciplined operational execution, financial stability, and strategic expansion beyond our traditional stronghold in East Malaysia. Our integrated business model spanning steel processing, manufacturing and trading, together with installation and project management services continued to demonstrate our resilience and strategic strengths, enabling the Group to capture opportunities across the downstream steel value chain."



Kang Ket Hung
Managing Director

FINANCIAL PERFORMANCE

Revenue and Profitability

For FYE 2025, the Group achieved revenue of RM99.37 million, comparable to RM100.72 million recorded in financial year ended 31 December 2024 ("**FYE 2024**"). Profit Before Tax ("**PBT**") and Profit After Tax ("**PAT**") stood at RM28.20 million and RM19.97 million, respectively, in FYE 2025, representing increase of 11.11% and 5.77%, respectively, from RM25.38 million and RM18.88 million recorded in FYE 2024. The increase was primarily attributable to the higher profit contributions across all three business divisions during the year.

"**Profit After Tax ("PAT")**
RM 19.97 Million"

Excluding the one-off non-recurring listing expenses of RM2.71 million incurred in connection with our successful listing on the ACE Market of Bursa Securities, the Group's normalised PBT would have been RM30.91 million, reflecting the Group's stable underlying operating performance. Correspondingly, the Group's normalised PAT would have been RM22.68 million, demonstrating the resilience of the Group's core business operations despite the prevailing industry challenges and market uncertainties.

The Manufacturing and Processing Division remained the Group's largest revenue contributor, generating RM56.20 million, representing 56.56% of total revenue in FYE 2025, compared with RM58.38 million, or 57.96% in FYE 2024. The Trading Division contributed RM23.75 million, or 23.90% of total revenue in FYE 2025, slightly lower than RM29.45 million, or 29.24% in FYE 2024. Meanwhile, the Supply, Installation and Project Management Services Division recorded RM19.42

Revenue and Profitability (Cont'd)

million, accounting for 19.54% of total revenue in FYE 2025, increased from RM12.89 million, or 12.80% in FYE 2024. Overall, the steady performance across all divisions underscores the resilience of the Group's earnings base and the strength of our balanced and integrated business model.

Financial Position

Our margins remained healthy, supported by disciplined cost and risk management, improved workflow coordination, and better inventory planning. Importantly, we maintained a strong balance sheet position, with total assets of RM165.58 million and cash and cash equivalents of RM57.13 million as at 31 December 2025, ensuring sufficient liquidity to fund ongoing expansion plans and support day-to-day business operations.

Delivering on Our Post Listing Commitments

Following our listing, we committed to scaling our operations responsibly while strengthening our nationwide presence, making significant progress over FYE 2025 toward realising our vision.

A major milestone during the year was our expansion into Peninsular Malaysia through the successful leasing of a factory at Telok Gong Industrial Park, Port Klang, Selangor. This facility is intended to support our manufacturing, operations, storage and office functions. The expansion strengthens our nationwide presence, enhances our proximity to key markets, and improves our responsiveness to customers in the central region of Peninsular Malaysia, further positioning the Group to participate more actively in infrastructure and industrial developments within the Klang Valley and its surrounding regions.

Besides that, the Group successfully acquired a parcel of industrial land at Pulau Indah Industrial Park, Port Klang. The land developer is currently undertaking infrastructure works and the acquisition is expected to be completed by 4^{th} quarter of 2027. Upon completion, the vacant possession of the land will be handed over to the Group, and the Group will be registered as the landowner. The site is planned for the construction of production facilities and office, which will serve as the Group's primary operational hub in the central region of Peninsular Malaysia. The site offers close proximity to Port Klang, convenient access to major highways, strong connectivity to nearby airports, enhancing logistics efficiency and supporting the Group's nationwide distribution strategy.

In East Malaysia, we continued with the implementation of the colour coil coating production line at our Kota Kinabalu factory. Once completed, this initiative will enable us to expand our in-house capabilities to manufacture customised colour coated coils, complement our existing product range, enhancing quality control, reducing reliance on third party suppliers, and improving turnaround time for customers.

In addition to the above, the Group also progressed the construction of a new storage facility adjacent to our existing Kota Kinabalu factory within Kota Kinabalu Industrial Park. The new storage facility is targeted to be operational during the financial year ending 31 December 2026 and will enhance our warehousing capacity and inventory management, further strengthening operational efficiency in preparation for the anticipated increase in production volumes upon the completion and commissioning of the colour coil coating production line.

In respect of the Enterprise Resource Planning ("**ERP**") system, the Group continued to progress with the implementation phase, which included defining workflows, configuring data structures, customising the system to align with our existing business processes and specific operational requirements, as well as carrying out system integration and testing. Throughout this phase, the Group's ERP implementation team worked closely with the ERP system provider for implementation of the ERP system within project schedule. Upon completion, the ERP system is expected to provide a centralised platform to integrate all core business processes and facilitate better real time visibility across departments, thereby enhancing operational and management efficiency.

MANAGING DIRECTOR'S STATEMENT

Business Growth and Strategies

The increasing adoption of Industrialised Building System ("**IBS**") solutions presents additional growth potential for the Group. Coupled with government-led encouragement and industry-wide sustainability initiatives, the growing emphasis within the construction industry on improving efficiency and productivity, achieving cost optimisation, enhancing build quality, reducing reliance on foreign labour and minimising material wastage continues to accelerate the adoption of IBS solutions. Supported by our capabilities and expertise in manufacturing steel-based IBS components, the Group is well positioned to support sustainable construction practices and capitalise on the industry's transition towards modern construction methodologies, creating opportunities and strengthening the Group's participation in both public and private sector projects driven by adoption of IBS solutions.

In East Malaysia, large-scale infrastructure developments continue to remain a key growth catalyst. The ongoing Pan Borneo Highway project continues to drive substantial demand for steel-based construction materials. The Group's guardrails have obtained approval from the Public Works Department Malaysia and are included on JKR's Road Material Approved List, underscoring our compliance with national road safety standards and demonstrating our capability to meet stringent technical and quality requirements for public infrastructure projects. The Group's participation in such nationally significant developments reinforces our track record and positions the Group favourably to capitalise on future infrastructure-related opportunities.

With the contractor licence Grade 7 recognition from Construction Industry Development Board of Malaysia, Frametech IBS Sdn. Bhd., a subsidiary of the Company continued to actively participate in any large-scale and high-value project tenders, leveraging on its industry and technical expertise, while strategically positioning itself to capture growth opportunities, enhance its competitive advantage, and contribute to the Group's sustainable growth and long-term value creation.

Collectively, these initiatives underscored our continuous commitment not only to driving growth, but also to strengthening operational reliability, enhancing delivery performance, and reinforcing customer confidence.

Looking Ahead

The International Monetary Fund (IMF) forecasts global economic growth of approximately 3.30% in year 2026 and 3.20% in year 2027. Meanwhile, the World Steel Association forecasts a modest rebound in global steel demand of 1.30% in year 2026, driven by improving financial conditions and increased public infrastructure investments, notwithstanding ongoing uncertainties in global trade and geopolitical tensions. Domestically, Malaysia's economy is expected to grow between 4.00% and 4.50% in year 2026.

The government allocated a total of RM419.20 billion under Malaysia Budget 2026, including RM81.00 billion for development expenditures to support the implementation of the 13th Malaysia Plan (13MP). From this allocation, RM6.90 billion was designated for Sabah and RM6.00 billion for Sarawak to accelerate regional development in both states. In line with these initiatives, the construction and infrastructure sectors are expected to continue offering structural growth opportunities. With our expanded footprint across East Malaysia and Peninsular Malaysia, strengthened manufacturing capabilities, and prudent financial management, we are well positioned to sustain our growth momentum and capitalising on emerging opportunities.

As a listed company, we remain committed to maintaining strong governance standards, driving operational excellence, and delivering long-term value creation for our shareholders.

Appreciation

Finally, I would like to express my sincere appreciation to our shareholders and investors for their continued trust and confidence in the Company. I also extend my gratitude to our Board of Directors for their counsel and valuable guidance, the management team and employees for their unwavering dedication and commitment to scale the Group to a new level. We are equally thankful to our customers, suppliers, business partners, and bankers for their steadfast support, trust and confidence. Together, with a collective spirit and driven by a shared vision, we build on our achievements, embrace new opportunities, and create sustainable, long-term value for all our stakeholders, looking to the future with confidence, optimism and determination.

KANG KET HUNG
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Colform Group Berhad ("**Colform**" or "**Company**") and its subsidiaries ("**Group**") is a leading integrated steel solutions provider in Malaysia, specialising in the manufacturing, processing as well as trading of downstream steel products and building materials. The Group also offers supply and installation services as well as project management services for construction projects. The Group primarily serves the construction, infrastructure, and industrial sectors, offering a diverse range of steel products and complimentary services tailored to meet evolving customer and industry needs. To support these product and service offerings, the Group is organised into three main business divisions as follows:

Manufacturing and Processing Division

The Manufacturing and Processing Division is a core revenue driver for the Group, focusing on the production of structural, protective and decorative steel components, roofing sheets and accessories, purlins and battens, Industrialised Building System ("**IBS**") steel framing systems and accessories. The Group's in-house steel manufacturing capabilities to produce downstream steel products, including roll-forming, stamping, bending, laser cutting and welding, allow us to deliver high-quality and customised solutions that support residential, commercial, industrial, as well as infrastructure construction projects. To complement the offerings of steel manufactured products, the Group is also involved in the processing of steel coils by slitting steel coils to form slitted steel coils. Apart from the above, the planned colour coil coating production line when commissioned by the second half of 2026, will enable us to manufacture colour coated coils for internal usage and external sales to customers to further expand the Group's products and services range.

Trading Division

The Group complements its Manufacturing and Processing Division through a well-established Trading Division that broadens its range of product offerings within the construction industry. This division supplies I-Beams, steel sections, insulation materials, fibre cement boards, guardrails, and other accessories that are not manufactured in-house. With this, the Group is able to provide a comprehensive range of steel products and building materials to support diverse customer base such as contractors, developers, hardware shops, and manufacturers.

Supply, Installation and Project Management Services Division

The Group offers supply and installation services by using its in-house manufactured steel products based on the specification requirements for each construction project undertaken by our customers on a project basis.

In addition, the Group also provide project management services for construction projects covering supply, delivery and installation of steel products as well as civil engineering works for building construction, whereby in such circumstances, the Group outsources civil engineering works to subcontractors.

The Group has built a strong presence in the IBS sector, supplying and installing pre-fabricated steel framing systems, roof trusses, wall cladding, and other related structural components. As the adoption of IBS technology continues to grow in Malaysia, driven by government incentives and demand for cost-effective construction solutions, the Group is well-positioned to further expand its supply, installation and project management services and strengthen its participation in large-scale infrastructure projects.

FINANCIAL HIGHLIGHTS

Financial Results

Financial Year Ended 31 December	2025	2024
Revenue (RM' Million)	99.37	100.72
Gross Profit (RM' Million)	38.27	31.72
Profit Before Tax (RM' Million)	28.20	25.38
Profit After Tax (RM' Million)	19.97	18.88
Gross Profit Margin (%)	38.51	31.49
Profit Before Tax Margin (%)	28.38	25.20
Profit After Tax Margin (%)	20.09	18.74
Basic/Diluted Earnings Per Share (Sen)	2.95	3.64

For the financial year ended 31 December 2025 ("**FYE 2025**"), the Group achieved revenue of RM99.37 million, which is comparable to RM100.72 million reported in financial year ended 31 December 2024 ("**FYE 2024**").

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS (CONT'D)

Financial Results (Cont'd)

This steady performance was primarily driven by higher sales volume across its three core business divisions, supported by sustained demand for steel products and building materials amid continued construction and infrastructure development in Malaysia.

From a segmental revenue perspective, the Manufacturing and Processing Division remained the Group's largest revenue contributor in FYE 2025, generating RM56.20 million, representing 56.56% of total revenue, compared with RM58.38 million, or 57.96%, in FYE 2024. This performance was supported by steady orders for roofing sheets, purlins and battens, and steel framing systems, alongside increased adoption of IBS steel components.

The Trading Division recorded revenue of RM23.75 million, accounting for 23.90% of total revenue in FYE 2025, slightly lower than RM29.45 million, or 29.24% of total revenue, in FYE 2024. This division continued to be supported by demand from contractors and developers for steel sections, guardrails, insulation materials, fibre cement boards and other accessories.

Meanwhile, the Supply, Installation and Project Management Services Division contributed RM19.42 million, representing 19.54% of total revenue in FYE 2025, an increase from RM12.89 million, or 12.80% of the total revenue, in FYE 2024, reflecting continued growth in this segment.

Despite the marginal decline in total revenue, the Group recorded a significant improvement in Gross Profit ("**GP**"), which increased by RM6.55 million from RM31.72 million in FYE 2024 to RM38.27 million in FYE 2025. The improvement was mainly attributable to stronger margins across all business divisions, supported by the Group's enhanced pricing strategies, improved production efficiency, and ongoing supply chain optimisation. The GP margin also improved markedly from 31.49% in FYE 2024 to 38.51% in FYE 2025.

With the improved GP, the Group's profit before tax ("**PBT**") stood at RM28.20 million in FYE 2025, which increased from RM25.38 million in FYE 2024, while profit after tax ("**PAT**") rose to RM19.97 million in FYE 2025, up from RM18.88 million in FYE 2024.

This translates to higher PBT margin and PAT margin of 28.38% and 20.09% respectively in FYE 2025, compared to 25.20% and 18.74% respectively in FYE 2024, mainly attributable to the higher profit contribution from all business divisions, demonstrating the Group's continued ability to deliver resilient earnings amid industry-wide challenges and market uncertainties.

The Group's basic earnings per share ("**EPS**") was 2.95 sen per share in FYE 2025, compared with 3.64 sen per share in FYE 2024.

The higher basic EPS of 0.69 sen in FYE 2024 was mainly due to the lower weighted average number of issued ordinary shares used in the computation, prior to the issuance of 114,424,000 new ordinary shares in conjunction with the Company's listing on 10 February 2025.

Financial Position

As at 31 December	2025 RM'Million	2024 RM'Million
Total Assets	165.58	117.32
Total Liabilities	18.15	21.23
Shareholders' Equity	144.11	94.69
Cash and Cash Equivalents	57.13	26.69

The Group's total assets increased by RM48.26 million from RM117.32 million as at 31 December 2024 to RM165.58 million as at 31 December 2025. The increase was mainly attributable to higher trade receivables in line with increased revenue contribution from the Supply, Installation and Project Management Services Division. In addition, other receivables increased primarily due to higher deposits and advance payments made to suppliers for the purchase of raw materials and trading goods, as well as the acquisition of property, plant and equipment. The increase in total assets was further supported by an increase in cash and cash equivalents following the receipt of gross proceeds amounting to RM41.19 million from the Initial Public Offering ("**IPO**") in conjunction with the Company's successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 10 February 2025.

On the other hand, the Group's total liabilities decreased by RM3.08 million from RM21.23 million as at 31 December 2024 to RM 18.15 million as at 31 December 2025 was mainly due to the repayments of term loans and bankers' acceptance made during FYE 2025 from cash generated from the operations.

FINANCIAL HIGHLIGHTS (CONT'D)

Financial Position (Cont'd)

The Group continued to maintain a solid shareholders' equity, which increased by RM49.42 million from RM94.69 million as at 31 December 2024 to RM144.11 million as at 31 December 2025, primarily attributable to the enlarged issued share capital arising from the issuance of 114,424,000 new ordinary shares pursuant to the IPO.

The Group's cash and cash equivalents remained healthy, increasing by RM30.44 million from RM26.69 million as at 31 December 2024 to RM57.13 million as at 31 December 2025. Accordingly, the Group's liquidity position was further strengthened by the gross proceeds of RM41.19 million raised from its successful IPO listing.

Key Performance Indicators Overview

Liquidity Ratio	As at 31 December 2025	As at 31 December 2024
Gearing Ratio	0.05 times	0.10 times
Current Ratio	11.86 times	5.82 times
Turnover Period	**FYE 2025**	**FYE 2024**
Inventories Turnover Period	179 days	175 days
Trade Receivables Turnover Period	88 days	76 days
Trade Payables Turnover Period	13 days	18 days

Gearing Ratio

Gearing ratio improved from 0.10 times to 0.05 times as at 31 December 2025. This was mainly attributable to the repayments of term loans and bankers' acceptance made during FYE 2025. The low and healthy gearing ratio enhances the Group's financial flexibility to pursue future opportunities and supports its long-term growth.

Current Ratio

Current ratio improved significantly from 5.82 times to 11.86 times as at 31 December 2025. The improvement in liquidity position was mainly attributable to the combined effects of the increase in trade and other receivables, the increase in cash and cash equivalents arising from IPO proceeds raised, as well as the reduction in total liabilities following the repayments of term loans and bankers' acceptance during FYE 2025.

Inventories Turnover Period

The inventories turnover period of the Group was slightly increased to 179 days in FYE 2025 from 175 days in FYE 2024. The Group maintained larger inventories of raw materials for its manufacturing operations which is consistent with the operational needs and current market conditions.

Trade Receivables Turnover Period

The Group's trade receivables turnover period increased from 76 days in FYE 2024 to 88 days in FYE 2025 mainly due to a portion of outstanding invoices still within credit period as at the end of financial year, as well as slower collections from certain contractor customers who pending to receive payments from their end customers during FYE 2025. The Group continues to implement proactive credit management approaches to ensure timely collections and support stable cash flows.

Trade Payables Turnover Period

The Group's trade payables turnover period decreased from 18 days in FYE 2024 to 13 days in FYE 2025 mainly due to the prompt payments were made to suppliers during FYE 2025 in order to maintain good relationships with suppliers. The Group continues to make payments to suppliers as they fall due.

CAPITAL EXPENDITURE REQUIREMENTS

As at 31 December	2025	2024
Capital Commitment	RM 26,567,299	RM 385,358

As at 31 December 2025, the Group has higher capital commitments authorised and contracted for amounted to RM26.57 million, as follows:

- RM0.13 million for the implementation of Enterprise Resource Planning system;
- RM25.92 million for the acquisition of property, plant and equipment; and
- RM0.52 million for the acquisition of investment property.

Collectively, these capital commitments reflect the Group's strategic initiatives to enhance productivity, strengthen operational effectiveness, and support sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS

KNOWN TRENDS AND EVENTS

According to the latest World Economic Outlook by the International Monetary Fund (IMF), the global economy growth is expected to remain resilient, with projections of 3.30% in year 2026 and 3.20% in year 2027. Concurrently, the World Steel Association anticipates a modest rebound in global steel demand, with an estimated increase of 1.30% in year 2026. This growth is underpinned by improving financial conditions and rising public infrastructure investments amid ongoing uncertainties in global trade and geopolitical tensions.

On the domestic front, Malaysia's economy is expected to grow between 4.00% and 4.50% in year 2026, driven by strong domestic demand and ongoing government reforms. In addition, Malaysia's Budget 2026 outlines a record allocation of RM419.20 billion, including RM81.00 billion designated for development expenditure, highlighting the government's commitment to sustaining economic growth and enhancing social protection. For East Malaysia, the budget allocates record-high development expenditure of RM6.90 billion for Sabah and RM6.00 billion for Sarawak, which are expected to accelerate infrastructure development and support economic expansion in both states.

Accordingly, the Group remains optimistic about the medium to long-term prospects of the downstream steel industry. The Group is well positioned to enhance its footprint in Sabah and broaden its expansion into Peninsular Malaysia, supported by sustained government infrastructure investments and ongoing regional development initiatives.

OPERATIONAL REVIEW

Throughout FYE 2025, the Group was actively involved in the construction and refurbishment of dilapidated schools ("**Sekolah Daif Improvement Project**") across East Malaysia. This government-led initiative aims to strengthen education infrastructure by enhancing safety standards, improving structural integrity, and providing more conducive learning environments for students in rural areas. The Group's participation in this project reflects its continued commitment to supporting national development priorities through the supply of downstream steel products, including IBS wall and framing systems, via its Manufacturing and Processing as well as Trading Divisions. These prefabricated steel solutions are instrumental in accelerating construction timelines, reducing labour dependency, improving construction efficiency and quality, particularly in remote or difficult-to-access locations.

On the other hand, the Pan Borneo Highway project, one of Malaysia's largest infrastructure initiatives in Sabah, aims to enhance regional connectivity and stimulate economic development across East Malaysia. The Group remains well-positioned to participate in the ongoing rollout of this strategic national infrastructure project through its Trading Division by supplying downstream steel products, including highway guardrails, which are approved by the Public Works Department ("**JKR**") and listed on the JKR Road Material Approved List ("**RMAL**").

In addition, the Group is an approved supplier of prefabricated cold formed steel roof trusses systems by JKR through its J-Truss Certificate of Registration, enabling it to participate in JKR-linked infrastructure and building projects. During the year, the Group advanced its strategic growth by diversifying its products portfolio and upgrading its licenses, certifications and technical qualifications. Furthermore, through its subsidiary, Frametech IBS Sdn. Bhd., the Group holds a Grade G7 contractor licence issued by the Construction Industry Development Board of Malaysia ("**CIDB**"), enabling participation in tenders for building and civil engineering projects across Malaysia, particularly in the public sector.

ANTICIPATED OR KNOWN RISKS

As a manufacturer, trader, and installer of downstream steel products, the Group operates within a highly dynamic industry, subject to market fluctuations, raw material price volatility, and reliance on the growth in the construction sector. The Group remains vigilant in identifying, assessing, and managing key risks that may impact its operations, profitability, and long-term sustainability, while continuously enhancing its risk management practices to ensure resilience in a challenging business environment.

The Group is exposed to risks from volatility in global steel prices, as raw material costs are influenced by global macroeconomic conditions, supply-demand dynamics, and international trade policies, which may affect production cost stability and overall operating margins across the Group's manufacturing and trading divisions. To mitigate these risks, the Group continuously monitors steel price trends and optimises its procurement strategies. Additionally, the Group adopts a prudent inventory management approach to ensure stock levels align with operational needs and prevailing market conditions, while maintaining flexibility to adjust pricing and sourcing strategies when necessary.

ANTICIPATED OR KNOWN RISKS (CONT'D)

As the Group sources certain steel products and raw materials from international markets, it is exposed to foreign exchange fluctuations risks, particularly in relation to the United States Dollar (USD) and Chinese Renminbi (RMB). Any significant depreciation of Ringgit Malaysia may increase procurement costs and subsequently impact overall production expenses. To manage this risk, the Group implements appropriate foreign currency management measures to enhance cost predictability in the procurement process. The Group also maintains close business relationships with suppliers to negotiate favourable pricing terms, thereby minimising the financial impact of currency fluctuations.

As a key supplier of downstream steel products and installation services for the construction sector, the Group's performance is closely linked to the health of Malaysia's construction industry. Demand for the Group's products and services continues to be supported by government infrastructure projects and private-sector developments. However, any delays in project rollouts, regulatory changes, or economic slowdowns may affect steel consumption levels and the availability of contract opportunities. To mitigate reliance on any single market segment, the Group will continue to diversify its revenue streams by expanding its presence in industrial and commercial developments across Peninsular Malaysia. The Group is also capitalising on opportunities in the IBS sector, where government incentives encourage the adoption of pre-fabricated steel components, thereby strengthening its market position.

Beyond manufacturing and trading, the Group is actively involved in steel installation and project management services, exposing it to operational and execution-related risks. These include project delays, labour shortages, fluctuating material costs, and unforeseen technical challenges that may arise during construction execution. Any cost overruns or contractual penalties could adversely affect overall project margins. To mitigate these risks, the Group implements stringent project planning, conducts thorough risk assessments, accepts projects within internal tolerance limit and closely monitors execution processes. The Group also works closely with customers and suppliers to ensure efficient project execution and delivery, while maintaining a skilled workforce and reliable subcontractor partnerships to uphold project timelines and quality standards.

As a Business-to-Business (B2B) company, the Group generally provides customers with standard credit terms of 60 days but may extend these terms for certain contractor customers, thereby increasing its exposure to credit risk. Delayed payments or customer defaults could result in higher impairment provisions, which could adversely affect the Group's financial performance. To mitigate this risk, the Group closely monitors receivables, enforces prudent credit policies, conducts thorough credit risk assessment, and undertakes proactive collection efforts to minimise bad debt risks.

By maintaining a disciplined approach to risk management, the Group remains resilient in the face of evolving industry challenges, ensuring continued operational stability, financial sustainability, and long-term growth prospects.

FORWARD LOOKING STATEMENT

As we progress into year 2026, the Group remains optimistic about sustaining growth momentum, expanding market presence, and diversifying revenue streams, driven by ongoing infrastructure developments, increasing demand for steel solutions, and continued strategic investments in production capabilities. While Malaysia's economy continues to show resilience, the operating landscape remains dynamic, influenced by global economic conditions, steel price fluctuations, and evolving industry trends.

In line with government initiatives under Malaysia's Budget 2026, approximately RM2.00 billion will be allocated to upgrade over 520 dilapidated schools, particularly in Sabah and Sarawak, alongside ongoing nationwide school maintenance works. Additionally, RM100.00 million has been earmarked for the constructing additional classrooms at existing schools by using IBS solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT (CONT'D)

With the expansion of development projects and growing demand for IBS solutions in the construction sector, the Group is well-positioned to capitalise on emerging opportunities by leveraging its expertise in pre-fabricated steel components and installation services to meet the evolving needs of the market. Furthermore, the Group aims to strengthen its presence in infrastructure and public sector projects by offering comprehensive project management services alongside its steel and IBS solutions, supported by its Grade 7 CIDB contractor licence.

Against this backdrop, demand for the Group's steel products is expected to remain favourable, particularly within public infrastructure segment, where its highway guardrails are approved by the JKR and listed on JKR's RMAL. This positions the Group as a key supplier for government-funded road projects, including major infrastructure initiatives such as the Pan Borneo Highway across Sabah and Sarawak, thereby supporting Malaysia's long-term connectivity and development goals.

In Kota Kinabalu, the Group's growth is being driven by the establishment of a colour coil coating production line and the construction of a new storage facility, both expected to be completed in 2026. These strategic investments will strengthen in-house production capabilities and meet rising demand for sustainable and energy-efficient building materials, while replacing imported products with competitively priced, locally manufactured alternatives. They also offer significant opportunities to reduce reliance on external suppliers, lower raw material costs, and optimise logistics, inventory and overall cost management, thereby supporting long-term business scalability.

In addition, the Group remains focused on expanding its market presence, particularly in high-growth regions such as Peninsular Malaysia, through initiatives including the leasing of a factory in Klang to support its manufacturing, operations, storage, and office functions. This strategic expansion is expected to increase production capacity, reach a broader customer base, and capture emerging opportunities in high-growth urban areas.

Looking ahead, the Group remains committed to driving operational excellence, optimising its supply chain, and leveraging its core competencies in manufacturing, processing, trading, installation and project management services. Through continued investments in technology, operational efficiency, product innovation, production capacity, project execution capabilities, and strategic expansion, the Group is well-positioned to solidify its position as a leading downstream steel solutions provider, navigate challenges, seize emerging opportunities, scale its operations, and deliver long-term value to shareholders and stakeholders.

DIVIDEND

The Group does not maintain a formal dividend policy and any dividend declaration is at the discretion of the Board of Directors ("**Board**"). In making such decisions, the Board considers factors including the availability of adequate distributable reserves, operating cash flows, financial commitments, capital requirements, and future growth plans.

In line with the Group's performance and commitment to delivering shareholders' value, the Company paid a first interim single tier dividend of 1.30 sen per ordinary share amounting to RM7.80 million for the FYE 2025 on 26 September 2025. The dividend of 1.30 sen per share translate to a dividend payout ratio of 44.07% based on earnings per share of 2.95 sen in the FYE 2025.

The Board is not proposing a final dividend for the FYE 2025. However, the Board remains committed to periodically reviewing dividend distributions to balance shareholder value creation with long-term financial sustainability.