



STEEL HAWK BERHAD

(Registration No. 202001043293 (1399614-A))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2025**



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2025 ⁽¹⁾**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September 2025</u>	<u>30 September 2024</u>	<u>30 September 2025</u>	<u>30 September 2024</u>
	<u>Unaudited RM'000</u>	<u>Unaudited RM'000</u>	<u>Unaudited RM'000</u>	<u>Unaudited RM'000</u>
Revenue	20,428	20,992	84,693	60,022
Cost of sales	(8,171)	(12,079)	(45,949)	(34,405)
Gross profit	12,257	8,913	38,744	25,617
Other income	11	23	52	49
Administrative expenses	(9,992)	(4,869)	(22,834)	(11,141)
Results from operating activities	2,276	4,067	15,962	14,525
Finance income	15	41	38	66
Finance costs	(569)	(581)	(1,693)	(1,480)
Profit before tax	1,722	3,527	14,307	13,111
Tax expense	(544)	(682)	(3,891)	(4,032)
Net profit and total comprehensive income	1,178	2,845	10,416	9,079
Basic earnings per ordinary shares ⁽²⁾ (sen)	0.24	0.58	2.13	1.85

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2025 ⁽¹⁾ (CONTINUED)**

Notes:

1. The basis of the preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed consolidated interim financial report.
2. Basic and diluted earnings per share ("**EPS**") is calculated based on the number of ordinary shares referred to in Note B11. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2025 ⁽¹⁾**

	30 September 2025	31 December 2024
	Unaudited RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,125	11,821
Right-of-use assets	1,503	1,827
	<u>13,628</u>	<u>13,648</u>
Current assets		
Inventories	886	1,501
Contract assets	74,579	32,014
Trade and other receivables	24,338	26,621
Pledged deposits	5,893	4,950
Cash and cash equivalents	1,983	4,854
	<u>107,679</u>	<u>69,940</u>
Total assets	<u>121,307</u>	<u>83,588</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	20,249	20,249
Restructuring reserves ⁽²⁾	(3,108)	(3,108)
Retained earnings	39,651	29,235
Total equity	<u>56,792</u>	<u>46,376</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 ⁽¹⁾ (CONTINUED)**

	30 September 2025	31 December 2024
	Unaudited RM'000	Audited RM'000
Non-current liabilities		
Loans and borrowings	2,499	2,499
Lease liabilities	153	301
Deferred tax liabilities	552	552
	<hr/> 3,204 <hr/>	<hr/> 3,352 <hr/>
Current liabilities		
Loans and borrowings	30,849	22,578
Lease liabilities	25	160
Trade and other payables	22,569	7,231
Current tax liabilities	7,868	3,891
	<hr/> 61,311 <hr/>	<hr/> 33,860 <hr/>
Total liabilities	<hr/> 64,515 <hr/>	<hr/> 37,212 <hr/>
Total equity and liabilities	<hr/> 121,307 <hr/>	<hr/> 83,588 <hr/>
Net assets per share ⁽³⁾ (sen)	<hr/> 11.59 <hr/>	<hr/> 9.46 <hr/>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 ⁽¹⁾ (CONTINUED)**

Notes:

1. The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed consolidated interim financial report.
2. The restructuring reserves comprise the difference between cost of investment recorded by the Company and the share capital of Steel Hawk Engineering Sdn. Bhd. ("**SHESB**") arising from the Company's restructuring exercise undertaken in conjunction with the listing of the Company's shares on the LEAP Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), where on 12 April 2021, the Company had entered into a conditional share sale agreement to acquire the issued share capital of SHESB of RM1,500,000 comprising 1,500,000 ordinary shares from the shareholders of SHESB for a purchase consideration of RM4,607,999.
3. Calculated based on net assets attributable to owners of the Company divided by the Company's issued share capital of **490,000,000** shares.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2025 ⁽¹⁾**

	<u>Share capital</u> RM'000	<u>Non-distributable Restructuring reserves</u> RM'000	<u>Distributable Retained earnings</u> RM'000	<u>Total</u> RM'000
At 1 January 2025	20,249	(3,108)	29,235	46,376
Net profit and total comprehensive income for the financial period	-	-	10,416	10,416
At 30 September 2025	20,249	(3,108)	39,651	56,792
At 1 January 2024	7,808	(3,108)	16,583	21,283
Net profit and total comprehensive income for the financial period	-	-	9,079	9,079
Proceeds from issuance of shares	13,500	-	-	13,500
Incidental cost from issuance of shares	(1,059)	-	-	(1,059)
At 30 September 2024	20,249	(3,108)	25,662	42,803

Note:

- The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed consolidated interim financial report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2025 ⁽¹⁾**

	30 September 2025	30 September 2024
	Unaudited RM'000	Unaudited RM'000
Cash flows from operating activities		
Profit before tax	14,307	13,111
<u>Adjustments:</u>		
Depreciation of property, plant and equipment	1,227	610
Loss on disposal of property, plant and equipment	-	242
Bad debts written off	8,935	-
Depreciation of right-of-use assets	158	63
(Gain)/Loss on remeasurement of leases	(5)	3
Listing expenses	-	2,072
Interest expenses / Financing Profit Cost	1,654	1,480
Interest income / Profit Income	(38)	(66)
	26,238	17,515
<u>Changes in working capital:</u>		
Inventories	615	(100)
Contract assets	(42,565)	(12,133)
Trade and other receivables	2,283	(14,228)
Trade and other payables	15,338	(4,388)
	1,909	(13,334)
Cash generated from/(used in) operations	1,909	(13,334)
Tax paid	(407)	(1,372)
	1,502	(14,706)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(302)	(1,297)
Proceeds from disposal of property, plant and equipment	-	413
Changes in pledged deposits	(943)	2,065
Interest income / Profit Income	38	66
	(1,207)	1,247
Net cash (used in)/from investing activities	(1,207)	1,247



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2025 ⁽¹⁾ (CONTINUED)**

	<u>30 September 2025</u> Unaudited RM'000	<u>30 September 2024</u> Unaudited RM'000
Cash flows from financing activities		
Proceeds from issuance of shares	-	13,500
Payment of listing expenses	-	(3,130)
Net repayment of term loans	(1,049)	(1,681)
Net drawdown of trade financing	4,472	6,862
Net repayment of hire purchase liabilities	(8,935)	(636)
Repayment of lease liabilities	(112)	(1,178)
Interest paid / Financing Profit Cost	(1,654)	(1,480)
Net cash (used in)/from financing activities	<u>(7,278)</u>	<u>12,257</u>
Net decrease in cash and cash equivalents	(6,983)	(1,202)
Cash and cash equivalents at beginning of the financial period	(3,704)	4,464
Cash and cash equivalents at end of the financial period	<u><u>(10,687)</u></u>	<u><u>3,262</u></u>

(i) Cash and cash equivalents

Cash and cash equivalents at the end of the financial period comprised of the following amounts:

	<u>30 September 2025</u> Unaudited RM'000	<u>30 September 2024</u> Unaudited RM'000
Cash and cash equivalents	1,983	12,700
Bank overdraft	(12,670)	(9,438)
	<u><u>(10,687)</u></u>	<u><u>3,262</u></u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2025 ⁽¹⁾ (CONTINUED)**

(ii) Reconciliation of movement of liabilities to cash flows arising from financing activities

	<u>At 1 January</u> RM'000	<u>Acquisition of new hire purchase liabilities</u> RM'000	<u>Remeasure- ment of lease</u> RM'000	<u>Net changes from financing cash flows</u> RM'000	<u>At 30 September</u> RM'000
2025					
Term loans	2,949	-	-	(1,049)	1,900
Hire purchase liabilities	776	9,671	-	(8,935)	1,512
Trade financing	12,794	-	-	4,472	17,266
Lease liabilities	461	-	(171)	(112)	178
	<u>16,980</u>	<u>9,671</u>	<u>(171)</u>	<u>(5,624)</u>	<u>20,856</u>
2024					
Term loans	4,966	-	-	(1,681)	3,285
Hire purchase liabilities	867	448	-	(636)	679
Trade financing	5,666	-	-	6,862	12,528
Lease liabilities	1,235	39	25	(1,178)	121
	<u>12,734</u>	<u>487</u>	<u>25</u>	<u>3,367</u>	<u>16,613</u>

Note:

- The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed consolidated interim financial report.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

**A. EXPLANATORY NOTES ON THE COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING
STANDARDS ("MFRS") 134**

A1. BASIS OF PREPARATION

The condensed consolidated interim financial report of Steel Hawk Berhad and its subsidiaries (collectively, the "**Group**") is unaudited and has been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 9.22 as well as Appendix 9B of the ACE Market Listing Requirements of Bursa Securities ("**Listing Requirements**").

This condensed consolidated interim financial report should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed consolidated interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this condensed consolidated interim financial report are consistent with those adopted in preparation of the Group's audited consolidated financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report except for the adoption of the following amendments/improvements to MFRSs, which are applicable during the current financial period.

Title	Effective date
Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	1 January 2025

The initial application or adoption of the above amendments/improvements to MFRSs are not expected to have any material financial impact on these condensed consolidated interim financial statements.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

A2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group:

Title	Effective date
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9, <i>Financial Instruments</i> and MFRS 7, <i>Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments that are part of Annual Improvements – Volume 11:	1 January 2026
<ul style="list-style-type: none"> • MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards</i> • MFRS 7, <i>Financial Instruments: Disclosures</i> • MFRS 9, <i>Financial Instruments</i> • MFRS 10, <i>Consolidated Financial Statements</i> • MFRS 107, <i>Statement of Cash Flows</i> 	
Amendments to MFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to MFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The initial application of the above standards and amendments are not expected to have any material financial impacts to the condensed consolidated interim financial statements of the Group upon adoption.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2024.

A4. SEASONAL OR CYCLICAL FACTORS

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter under review.

Nevertheless, the Group's business is subject to Petroliaam Nasional Berhad ("**PETRONAS**") group's expenditure cycle and yearly pre-planned maintenance programs such as preventive maintenances, periodic maintenance, turnarounds and/or shutdown maintenances.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

A5. MATERIAL UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates that have a material effect to the Group in the current financial quarter under review.

A7. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities to the current quarter under review.

A8. DIVIDEND PAID

There was no dividend paid during the current financial quarter under review.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

A9. SEGMENTAL INFORMATION

The Group's revenue is segmented as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September 2025</u>	<u>30 September 2024</u>	<u>30 September 2025</u>	<u>30 September 2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Engineering, Procurement, Construction and Commissioning ("EPCC") services and facilities improvement/maintenance				
Revenue	18,424	18,070	78,328	49,863
Cost of sales	(7,573)	(10,336)	(42,840)	(28,784)
Gross profit	<u>10,851</u>	<u>7,734</u>	<u>35,488</u>	<u>21,079</u>
Gross profit margin	58.91%	42.79%	45.34%	42.26%
Installation and Maintenance ("I&M") of oilfield equipment				
Revenue	1,604	2,510	4,793	7,417
Cost of sales	(402)	(1,617)	(2,513)	(4,547)
Gross profit	<u>1,202</u>	<u>893</u>	<u>2,280</u>	<u>2,870</u>
Gross profit margin	74.94%	35.58%	47.58%	38.69%
Supply of oilfield equipment ("SOFE")				
Revenue	400	412	1,572	2,742
Cost of sales	(196)	(126)	(596)	(1,074)
Gross profit	<u>204</u>	<u>286</u>	<u>976</u>	<u>1,668</u>
Gross profit margin	51.00%	69.42%	62.06%	60.82%

The Group's customers are predominantly located in and operate within Malaysia.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

Save as disclosed in Note B6 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this condensed consolidated interim financial report.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter under review.

A12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at the date of this condensed consolidated interim financial report.

A13. MATERIAL CAPITAL COMMITMENT

There were no material capital commitments as at the date of this condensed consolidated interim financial report.

A14. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuation of property, plant and equipment as at the date of this condensed consolidated interim financial report.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the current financial quarter under review.

A16. DERIVATIVE FINANCIAL INSTRUMENTS

There were no outstanding derivative financial instruments as at the end of the current financial quarter under review.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

A17. FAIR VALUE OF FINANCIAL LIABILITIES

The carrying amounts of cash and cash equivalents and short term receivables and payables reasonably approximate their fair values due to their relative short term nature of these financial instruments.

Fair values are categorized into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the current market rate of loans and borrowings of the Group at the end of the reporting period.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the unaudited condensed consolidated statement of financial position.

	<u>30 September 2025</u>		<u>31 December 2024</u>	
	<u>Fair value of financial instruments not carried at fair value</u>	<u>Carrying amount</u>	<u>Fair value of financial instruments not carried at fair value</u>	<u>Carrying amount</u>
	<u>Level 3</u>		<u>Level 3</u>	
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Term loans	1,848	1,900	3,044	2,949
Hire purchase liabilities	1,557	1,512	812	776
Lease liabilities	179	178	446	461
	<u>3,584</u>	<u>3,590</u>	<u>4,302</u>	<u>4,186</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September 2025</u>	<u>30 September 2024</u>	<u>30 September 2025</u>	<u>30 September 2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	20,428	20,992	84,693	60,022
Profit before tax	1,722	3,527	14,307	13,111

Individual Quarter Ended 30 September 2025 against 30 September 2024

The Group's revenue declined marginally to RM20.43 million, representing a reduction of RM0.56 million from RM20.99 million in the corresponding quarter of the previous financial year. The decrease is primarily attributable to a slowdown in the issuance of work orders and the deferment of planned activities by PETRONAS, in line with their ongoing internal cost rationalization efforts and reprioritization of operational scopes under a tightened operating expenditure (“OPEX”) budget. However, the decrease has been partially offset by new work orders issued under the collaboration with Ibrahim & Sons Engineering Sdn. Bhd.

Consequently, the Group recorded a profit before tax of RM1.72 million, a decrease of RM1.81 million from RM3.53 million in the corresponding quarter of the previous financial year. The decrease in profit before tax was mainly due to an increase in administrative expenses by RM5.12 million to RM9.92 million this quarter, arising primarily from the recognition of bad debts written off amounting to approximately RM8.94 million in respect of a customer that is undergoing winding-up proceedings. Given the situation of the customer, the Board is of the view that the amount is not recoverable and has provided for the full write-off amount.

Cumulative Quarter Ended 30 September 2025 against 30 September 2024

For the nine-month period ended 30 September 2025, the Group recorded revenue of RM84.69 million, an increase of RM24.67 million compared to RM60.02 million in the corresponding period of the previous financial year. The stronger performance was mainly driven by higher project execution and billings recognized during Q1 2025.

In tandem with the higher revenue base, profit before tax improved to RM14.3 million from RM13.11 million in the prior year, representing an increase of RM1.20 million. The improvement was largely driven by stronger topline performance. During the period, the Group recognised a one-off bad debts written off of RM8.94 million under administrative expenses, which accounted for approximately 89.49% of administrative expenses for the quarter. Excluding this non-recurring item, the Group's underlying cost structure remained broadly stable.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

Looking ahead, the Group remains focused on executing ongoing projects on a timely basis, securing new work orders, and sustaining cost discipline to ensure continued earnings growth for the remainder of the financial year.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER

	<u>Current Quarter</u> 30 September 2025 <u>Unaudited</u> RM'000	<u>Immediate Preceding Quarter</u> 30 June 2025 <u>Unaudited</u> RM'000	Changes %
Revenue	20,428	11,789	73.28%
Profit before tax	1,722	1,613	6.76%
Net profit and total comprehensive income	1,178	1,068	10.30%

The Group reported revenue of RM20.43 million for the current quarter, an increase of RM8.64 million from RM11.78 million in the immediate preceding quarter. The increase is primarily attributable to the new work orders issued under the collaboration with Ibrahim & Sons Engineering Sdn. Bhd.

However, profit before tax increased by only 6.76% to RM1.72 million from RM1.61 million in the immediate preceding quarter, attributable to an increase in administrative expenses during the quarter. For the avoidance of doubt, administrative expenses mainly increased during the quarter due to a one-off bad debts written off amounting to RM8.94 million in respect of a customer undergoing winding-up proceedings, which has significantly eroded the revenue recognised by the Group during the quarter. Apart from this non-recurring item, the Group's underlying operating cost structure remained relatively consistent with the preceding quarter.

The Group has initiated cost optimisation measures and resource reallocation efforts within the Group to mitigate cost pressures, although the financial benefits of these measures are expected to materialise progressively over the coming quarters.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025

B3. PROSPECTS OF THE GROUP

While the Group remains well-positioned to capitalise on opportunities within Malaysia's oil and gas services and equipment industry, PETRONAS' implementation of cost optimisation measures and its more selective approach in issuing work orders under a tightened OPEX budget have resulted in slower work order issuance. In view of PETRONAS' cost rationalisation efforts and the Group's reliance on project-based work orders, the Group has made efforts to broaden its customer base and reduce concentration risk.

In line with this strategy, the Group has expanded its EPCC service offerings into the utilities sector, leveraging the same core engineering and project execution capabilities. This includes the collaboration agreement with Ibrahim & Sons Engineering Sdn. Bhd. to jointly undertake underground power cable installation and related works for Tenaga Nasional Berhad, marking the Group's maiden entry into the expanded EPCC segment beyond oil and gas. Further, on 5 November 2025, the Group obtained shareholders' approval for its diversification into providing EPCC services beyond the oil and gas sector, including amongst others, utilities and power, industrial manufacturing, healthcare, defence, telecommunications and large-scale commercial projects ("**Expanded EPCC Segment**"). With this approval, the Group is now able to pursue EPCC opportunities in utilities, power, infrastructure and other sectors that require similar engineering capabilities, strengthening its long-term resilience and positioning the Group for growth across the broader energy and infrastructure value chain.

As at 30 September 2025, the Group manages 14 active call-out contracts, providing multi-year revenue visibility across upstream, midstream and downstream scopes. These include construction and modification works, remote operations, splash zone structural repair and maintenance services, as well as manpower supply contracts for the solid product warehouse. Such OPEX-driven scopes continue to support the Group's recurring revenue base, given their essential role in ensuring operational continuity for PETRONAS' facilities.

Beyond the oil & gas segment, the Group is actively pursuing tenders and progressing registration processes with multiple multinational corporations, government-linked companies and government-linked investment companies for EPCC opportunities across utilities, infrastructure, industrial manufacturing, telecommunications and other non-oil & gas sectors. These initiatives form a key part of the Group's long-term strategy to build resilience against sector-specific cyclicalities, diversify income streams and expand the addressable market for its engineering and project management capabilities.

While the domestic oil & gas sector faces headwinds from PETRONAS' ongoing cost optimisation measures and external uncertainties, the Group's positioning as an OPEX-focused contractor provides resilience, particularly within midstream and downstream segments that remain relatively insulated from capital expenditure fluctuations. The Group's diversification into the Expanded EPCC Segment further enhances long-term sustainability by tapping into sectors supported by ongoing infrastructure and utility-related development spending.

With the current project pipeline and recent contract wins, the Group maintains solid operational momentum. Its diversification into the Expanded EPCC Segment, beginning with utilities and energy infrastructure, complements its established oil & gas operations and provides a broader and more resilient earnings base. Barring unforeseen circumstances, these developments are expected to contribute positively to the Group's financial performance for the year ending 31 December 2025, reinforcing its position as a dependable and growing service provider across the energy sector.



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B4. PROFIT FORECAST

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document.

B5. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September</u> <u>2025</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2024</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2025</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2024</u> <u>Unaudited</u> <u>RM'000</u>
Current taxation	544	682	3,891	4,040
Deferred taxation	-	-	-	(8)
Total	544	682	3,891	4,032
Effective tax rate (%)	32%	19%	27%	31%

The overall effective tax rate for the current individual quarter and cumulative financial period ended 30 September 2025 was higher than the statutory tax rate of 24.00%, primarily due to the impact of non deductible expenses that are not allowable for tax purposes. These expenses increased the Group's taxable income, resulting in an effective tax rate of 32% for the current quarter and 27% on a cumulative basis.



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B6. STATUS OF CORPORATE PROPOSALS

Proposed Diversification and Proposed Variation

On 29 August 2025, the Company announced that it intended to undertake the following proposals:

- i. Proposed diversification of the existing business of Steel Hawk and its subsidiaries into the expanded EPCC segment ("**Proposed Diversification**"); and
- ii. Proposed variation in the utilization of proceeds raised from the initial public offering ("**Proposed Variation**").

(Collectively, the "**Proposals**").

Further details are contained in the announcement released on Bursa Securities on 29 August 2025. On 5 November 2025, the Company obtained approval from its shareholders for the Proposals.

Proposed Special Issue

On 26 September 2025, the Company announced that it intended to undertake a proposed special issue of up to 70,000,000 new ordinary shares in Steel Hawk ("**Special Issue Shares**") to Bumiputera investors to be identified and/ or approved by the Ministry of Investment, Trade and Industry at an issue price to be determined later ("**Proposed Special Issue**"). Further details are contained in the announcement released on Bursa Securities on 26 September 2025.

On 13 October 2025, the Company announced that Bursa Securities had approved the listing and quotation of up to 70,000,000 Special Issue Shares to be issued pursuant to the Proposed Special Issue.

On 5 November 2025, the Company obtained approval from its shareholders for the Proposed Special Issue.

Barring any unforeseen circumstances, the Proposed Special Issue is expected to be completed by end-December 2025



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B7. UTILISATION OF PROCEEDS FROM THE IPO

The gross proceeds from the IPO amounting to RM13.50 million is expected to be utilized in the following manner:

	<u>Proposed utilisation</u> RM'000	<u>Actual utilisation</u> RM'000	<u>Balance to be utilised</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Construction of the Proposed Teluk Kalung Facility 2	7,000	-	7,000	Within 24 months
Working capital	2,000	(2,000)	-	Within 18 months
Repayment of bank borrowings	1,000	(1,000)	-	Within 6 months
Estimated expenses for the Transfer	3,500	(3,500)	-	Within 3 months
	<u>13,500</u>	<u>(6,500)</u>	<u>7,000</u>	

Pursuant to the Proposed Variation, the Company has obtained shareholders' approval to vary the utilisation of RM7.00 million from the IPO proceeds, originally earmarked for the construction of the Proposed Teluk Kalung Facility 2, to be reallocated towards the Company's working capital requirements. Further details are contained in the Circular released on Bursa Securities on 3 October 2025.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
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B8. GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings are as follows:

	30 September 2025	31 December 2024
	Unaudited RM'000	Audited RM'000
Non-current liabilities		
<u>Secured:</u>		
Term loans	1,870	1,870
Hire purchase liabilities	629	629
	<u>2,499</u>	<u>2,499</u>
Current liabilities		
<u>Secured:</u>		
Term loans	30	1,079
Hire purchase liabilities	883	147
Trade financing	17,266	12,794
Bank overdraft	12,670	8,558
	<u>30,849</u>	<u>22,578</u>
	<u>33,348</u>	<u>25,077</u>

All the Group's borrowings are secured and denominated in Ringgit Malaysia.

B9. MATERIAL LITIGATION

There is no litigation or arbitration which has a material effect on the financial position of the Group. The Board is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this condensed consolidated interim financial report.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

B10. DIVIDEND

There was no dividend declared or recommended for payment by the Board during the current financial quarter under review.

B11. BASIC/DILUTED EARNINGS PER SHARE

The basic and diluted EPS for the current quarter are computed as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September</u> <u>2025</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2024</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2025</u> <u>Unaudited</u> <u>RM'000</u>	<u>30 September</u> <u>2024</u> <u>Unaudited</u> <u>RM'000</u>
Profit attributable to owners of the Company	<u>1,178</u>	<u>2,845</u>	<u>10,416</u>	<u>9,079</u>
Number of ordinary shares ('000)	490,000	490,000	490,000	490,000
Basic/Diluted EPS (sen) ⁽¹⁾	<u><u>0.24</u></u>	<u><u>0.58</u></u>	<u><u>2.13</u></u>	<u><u>1.85</u></u>

Note:

- Basic and diluted EPS is calculated based on the Company's enlarged share capital of 490,000,000 shares after the IPO of the Company. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.



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B12. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>30 September 2025</u>	<u>30 September 2024</u>	<u>30 September 2025</u>	<u>30 September 2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Auditors' remuneration	42	-	118	63
Material expenses/(income)				
Depreciation of property, plant and equipment	581	199	1,227	610
Loss on disposal of property, plant and equipment	-	194	-	242
Bad debts written off	8,935	-	8,935	-
Depreciation of right-of-use assets	48	27	157	63
Interest income / Profit Income	(15)	(41)	(38)	(66)
Personnel expenses (including key management personnel):				
- Contributions to state plans	250	168	650	428
- Directors' fees	137	153	403	436
- Wages, salaries and others	3,072	868	6,443	3,559
Outsourced staffing expenses	2,545	1,969	9,194	4,750
Net realized foreign exchange loss	22	53	42	160
Listing expenses	-	832	-	2,072
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other expenses arising from leases				
Expenses relating to short-term leases	523	498	3,183	994
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Save as disclosed above, the other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD
28 November 2025