

The Board of Directors ("the Board") of Mycron Steel Berhad ("Mycron") recognises the importance in achieving a high standard of corporate governance and observes the Principles and Best Practices as set out in the Malaysian Code on Corporate Governance ("the Code"). The general framework of corporate governance that the Board upholds is one which aims to encourage positive entrepreneurial behavior while ensuring that the appropriate checks and balances are in place so that decisions are made wisely in the long term interests of the Company and its shareholders.

The Board considers that the Group has fully complied with Part 1 and Part 2 of the Malaysian Code on Corporate Governance. This Statement, together with other statements, such as the Statement on Internal Control, sets out the manner in which the Corporate Governance framework has been applied.

### **BOARD OF DIRECTORS**

#### **a) Board Responsibilities**

The Board is aware of its responsibility to ensure that all decisions to be made by the Group should take into consideration the effects on the shareholders including minority shareholders. The Board also acknowledges that it is the duty of the Board of Directors to act in the best interest of the Group and the Company at all times.

The Board has full control of the management of the Company and is primarily responsible for the Company's overall strategic directions, the appraisal of major business proposals, the review of business performances and business plans, as well as major capital expenditure, risk management, internal control and succession plans.

While the Board is responsible for creating the framework and policies within which the Group should be operating, the management is accountable for the execution of the expressed policies and attainment of the Group's expressed corporate objectives. This demarcation complements and reinforces the supervisory role of the Board.

The Board has delegated specific responsibilities to other Board committees which operate within clearly defined terms of reference. Standing committees of the Board include the Audit, Nomination, Remuneration and Risk Management Committees. These Committees have the authority to examine particular issues and will report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

#### **b) Board Balance and Composition**

The Board currently has eight members comprising of the following:

- One Non-Executive Non-Independent Chairman
- One Executive Director
- Three Non-Executive Non-Independent Directors
- Three Non-Executive Independent Directors

Premised on the above Board balance, the Board has complied with Paragraph 15.02 of the Listing Requirements to have at least one-third of the Board comprising Independent Directors. The composition of the Board reflects a balance of Executive, Non-Executive and Independent Directors from diverse professional backgrounds with vast experience of a mixture of technical, entrepreneurial and financial skills. The profiles of the Directors which are set out on page 13 to 17 illustrate an impressive spectrum of experiences vital to the direction and management of the Company.

There is a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure that there is a balance of power and authority. The Chairman is primarily responsible for the working of the Board, its membership and participation of the members at Board meetings. The Chief Executive Officer is responsible for the making and execution of strategic goals, effective operation within the Group, to explain, clarify and inform the Board on matters pertaining to the Group.

The Executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the daily operations and business development of the Group. The Non-Executive Directors are independent of management and are free from any business relationship which could materially interfere with the exercise of their independent judgement. Together with the Independent Non-Executive Directors, they provide the support to complement the skills and experience of the Executive Directors. The Independent Non-Executive Directors also offer the unbiased independent view, advice and judgement in the best interest, not only for the Group but also for shareholders, employees and communities in which the Group conducts its business.

Any concerns or queries concerning the Group may be referred to Dato' Narendrakumar Jasani a/l Chunilal Rugnath who is the Senior Independent Non-Executive Director.

## c) Board Meetings

The Board meets at least four times a year to review business performance, strategies, business plans and significant policies as well as to consider business and other proposals which require the Board's approval. Ad-hoc Board meetings are held to deliberate on corporate proposals or urgent issues which require the Board's consideration between scheduled meetings.

Senior Management staff may be invited to attend Board meetings to provide the Board with their views and explanations on certain agenda items tabled to the Board and to furnish their clarification on issues that may be raised by the Board.

During the financial year ended 30 June 2008, four meetings were held. The following is the record of attendance of the Directors :

<b>Executive Director</b>	<b>No. of Attendance</b>	<b>%</b>
1. Encik Azlan bin Abdullah	4/4	100
<b>Non-Independent Non-Executive Directors</b>	<b>No. of Attendance</b>	<b>%</b>
1. Tunku Dato' Seri Iskandar bin Tunku Tan Sri Abdullah (Resigned on 12.2.2008)	2/2	100
2. Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	4/4	100
3. Dato' Zulkifly @ Sofi bin Haji Mustapha	4/4	100
4. Datuk Lim Kim Chuan	4/4	100
5. Tunku Dato' Kamil Ikram bin Tunku Tan Sri Abdullah (Appointed on 10.6.2008)	Not applicable	Not applicable
<b>Independent Non-Executive Directors</b>	<b>No. of Attendance</b>	<b>%</b>
1. Dato' Abu Talib bin Mohamed	3/4	75
2. Dato' Narendrakumar Jasani a/l Chunilal Rugnath	3/4	75
3. Mr Paul Chan Wan Siew	4/4	100

## d) Supply of Information

The Board Members are given board papers with appropriate support documentation in a timely manner prior to each Board Meeting to enable them to function effectively and allow Directors to discharge their responsibilities accordingly. These include a periodic financial and operational report, proposals for capital expenditure and proposals for investment. In addition, there is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of substantial value, major investments and financial decisions, and changes to the management and control structure within the Group, including key policies and procedures and delegated authority limits.

The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed. In addition, the Directors may obtain independent professional advice at the Group's expense, where necessary, in the furtherance of their duties.

The proceedings and resolutions reached at each Board Meeting are recorded in the minutes of the meetings, which are kept in the Minute Book at the registered office. Besides Board Meetings, the Board also exercises control on matters that require Board's approval through circulation of the Directors' Resolutions.

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### e) **Appointments to the Board**

The Board had established a Nomination Committee whose main responsibility is to recommend board appointments and to assess directors on an on-going basis. All decisions on appointments are made by the Board after considering the recommendations of the Nomination Committee.

The members of the Nomination Committee currently comprises of the following members :

- i) Dato' Abu Talib bin Mohamed (Chairman);
- ii) Mr Paul Chan Wan Siew; and
- ii) Dato' Zulkifly @ Sofi bin Haji Mustapha

The principal duties and functions of the Nomination Committee based on a Terms of Reference approved by the Board, are to recommend technically competent persons of integrity with a strong sense of professionalism, assisting the Board in assessing its overall effectiveness as well as to review the performance of members of the Board, the Chief Executive Officer, and Members of Board Committees as a whole and the contribution of each individual Director.

The Nomination Committee will hold a meeting at least once a year. Additional meetings can be scheduled if considered necessary by the Chairman of the Committee. The Company Secretary is the Secretary to the Nomination Committee.

### f) **Re-election**

Every Director is required by the Company's Articles of Association to retire from office once at least every three years except for those who retire every year in accordance with Section 129 of the Companies Act, 1965 and to seek re-election by the shareholders at the Annual General Meeting.

Any Director appointed by the Board during the year to fill as a casual vacancy or as an addition shall hold office only until the next Annual General Meeting but shall also be eligible for re-election.

### g) **Directors' Training**

In compliance with the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Directors are mindful that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments of the industry as well as the new statutory and regulatory requirements.

Details of the seminars and training programmes attended by the Board members during the financial year ended 30 June 2008 are as follows :

- Directors' Duties and Liabilities – Impact of the Companies (Amendments) Act 2007
- Economic and Market Outlook for the Second Quarter 2008

### h) **Directors' Remuneration**

The Group has adopted the principle recommended in the Code whereby the level of remuneration of the Directors is sufficient to attract and retain the Directors needed to manage the Group successfully.

The Board had also set up a Remuneration Committee whose main responsibility is to determine and recommend to the Board the framework or broad policy for the remuneration of the Directors, Chief Executive Officer and other senior management members of the staff.

The members of the Remuneration Committee comprises of the following members:

- i) Dato' Abu Talib bin Mohamed (Chairman);
- ii) Mr Paul Chan Wan Siew; and
- iii) Dato' Zulkifly @ Sofi bin Haji Mustapha

Non-Executive Directors are paid annual Directors' fees and sitting allowances for attendance to Board/Committee meetings. The members of Board Committees are also paid annual fees for additional responsibilities undertaken.

# STATEMENT ON CORPORATE GOVERNANCE

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The Company recognises the need to have a competitive remuneration package to attract and retain the Directors of the caliber needed to lead the Group successfully. In the case of the Executive Directors, their remuneration are linked to level of responsibilities, experience, contributions and individual as well as Group performance. For the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibility undertaken by them.

The remuneration of Directors, in aggregation and analysed into bands of RM50,000 is as follows :

Type of Remuneration	Executive Directors RM'000	Non-Executive Directors RM'000
Salaries	384	-
Allowances	-	-
Bonuses	60	-
Fees	-	267
Benefits-In-Kind	25	22
Other Emoluments	67	37
<b>TOTAL</b>	<b>536</b>	<b>326</b>

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Less than RM50,000	-	6
RM50,001 to RM100,000	-	2
RM500,001 to RM550,000	1	-

The Remuneration Committee will hold a meeting at least once a year. Additional meetings can be scheduled if considered necessary by the Chairman of the Committee. The Company Secretary is the Secretary to the Remuneration Committee.

## RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognises the need to communicate with shareholders and investors on all material business matters of the Group. The results of the Company and the Group are published quarterly via the Bursa Malaysia website. In addition to various announcements made during the year, information on the Group is available on the Group's website at [www.mycronsteel.com](http://www.mycronsteel.com). Any general enquiries and comments can be addressed to [enquiry@mycronsteel.com](mailto:enquiry@mycronsteel.com).

The Company also encourages shareholders to attend its Annual General Meeting as this is the principal forum for dialogue and interaction with shareholders. At each Annual General Meeting, the Directors are usually provided with adequate time to attend to questions and comments of shareholders. Notices of each meeting are issued on a timely manner to all the shareholders.

The Executive Directors and Senior Management have periodical dialogues with existing and prospective investors and the analysts to enhance understanding of the Group's objectives and provide insight on the latest developments in the Group.

Presentations based on permissible disclosures are made to explain the Group's performance and major development programs. Price-sensitive information that may be regarded as undisclosed material information about the Group is, however, not disclosed in these sessions until after the prescribed announcement to Bursa Securities have been made.

## ACCOUNTABILITY AND AUDIT

### a) Audit Committee

The Company has in place an Audit Committee which comprises two Independent Directors and one Non-Executive Non-Independent Director. The Audit Committee holds quarterly meetings to review matters including the Group's financial reporting, the audit plans for the year as well as to deliberate the findings of the internal and external auditors.

With a majority of the members being independent, the composition of the Audit Committee is fully compliant with the Code and the Listing Requirements of Bursa Securities, which require the majority of directors on the Audit Committee to be independent and that one member who has the financial background that meets the requirement set out under paragraph 7.0 of Practice Note 13/2002.

Full details of the composition, complete terms of reference and the activities of the Audit Committee during the financial year are set out in the Audit Committee Report included in this Annual Report.

# STATEMENT ON

## CORPORATE GOVERNANCE

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### b) Financial Reporting

The Board aims to present a balanced, clear and understandable assessment of the Group's financial positions and prospects in the annual financial statements and quarterly announcements to the shareholders, investors and regulatory authorities.

The Audit Committee deliberates and reviews the quarterly financial results to ensure accuracy, adequacy and completeness before the results are reviewed and approved by the Board of Directors. The details of the Company's and the Group's financial positions are included in the Financial Statements section of the Annual Report.

In the preparation of the financial statements, the Directors have considered the appropriate accounting policies to be used and consistently applied and supported by reasonable and prudent judgements and estimates.

### c) Internal Control

The Board recognises that it has overall responsibility for maintaining a sound system of internal control for the Group in order to safeguard shareholders' interest of the Group's assets. The system of internal control not only covers financial controls but also operational and compliance controls as well as risk management.

The Group's Statement of Internal Control is set out on pages 32 to 33 of this Annual Report.

The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board further recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets.

The main task of the Risk Management Committee ("RMC") is to look into the risk management of the Group. The RMC comprises of three members, the majority of whom shall be Independent Directors.

The members of the RMC are as follows:

- i) Mr Paul Chan Wan Siew (Chairman);
- ii) Dato' Narendrakumar Jasani a/I Chunalil Rugnath; and
- iii) Datuk Lim Kim Chuan

The RMC is to meet regularly, at least once every quarter in a financial year to review risk management report of the Company and its subsidiary companies. The Company Secretary is the Secretary to the Risk Management Committee.

### d) Relationship with the External Auditors

The Board through the Audit Committee has established a transparent and appropriate relationship with the Group's External Auditors, Messrs PricewaterhouseCoopers ("PwC"). PwC will report to members of the Group on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. The Audit Committee meets with the External Auditors twice during the financial year.

The relationship between the Board and the External Auditors is also formalised through the Audit Committee's Terms of Reference.

## DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF FINANCIAL STATEMENT

The Directors are required to prepare the financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year end of the results and cash flow for that year. The financial statements must be prepared in compliance with the Companies Act, 1965 and with applicable approved accounting standards.

The Directors considered the following in preparing the financial statements:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable approved accounting standards have been followed.

The Directors are of the opinion that the financial statements comply with the above requirements. The Directors are also responsible for ensuring the maintenance of adequate accounting records to enable them to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

# STATEMENT ON CORPORATE GOVERNANCE

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## ADDITIONAL COMPLIANCE INFORMATION

- a) **Options, Warrants of Convertible Securities**  
During the financial year under review, there were no options, warrants of convertible securities exercised or converted by the Company.
- b) **Non-audit fees**  
There were no non-audit fees paid by the Group to the External Auditors during the financial year.
- c) Further, during the financial year ended 30 June 2008:
- (i) There were no material contracts (not being contract entered into the ordinary course of business) entered into by the Group which involved directors and shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year;
  - (ii) The Group has not sponsored any ADR or GDR programme for the financial year ended 30 June 2008;
  - (iii) There were no sanctions and/or penalties imposed on the Group, directors or management by the relevant regulatory bodies during the financial year;
  - (iv) There were no profit guarantees given by the Group;
  - (v) The Group revalued its properties comprising land and buildings at least once in every five years. Surplus arising from revaluation is dealt with through the asset revaluation reserve account. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all cases, a decrease in carrying amount will be charged to the income statement;
  - (vi) There were no profit estimates, forecasts, projections or unaudited results made or announced for the financial year ended 30 June 2008 which differed by 10 per cent or more from the audited results; and
  - (vii) There were no loans between the Company and its subsidiaries that involve directors' or major shareholders' interests.
- d) **Recurrent Related Party Transactions ("RRPTs")**  
On 31 October 2007, the Company sought approval for shareholders' mandate for Mycron Group to enter into Recurrent Transactions (as defined in the Circular to Shareholders dated 9 October 2007) in their ordinary course of business with related parties ("Shareholders' Mandate") as defined in Chapter 10 of the Listing Requirements of Bursa Securities.

The aggregate value of transactions conducted during the financial year ended 30 June 2008 in accordance with the Shareholders' Mandate obtained in the last Annual General Meeting were as follows:

### A. RRPTs with MAA Holdings Berhad Group of Companies

No.	Related Party	Nature of Transaction	Names of Interested Director(s) / Major Shareholder(s) / Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
1.	Wira Security Services Sdn Bhd ("WSS")	Security guard services by WSS to Mycron Group	<p><b>Interested Directors</b> Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah ("TY"), Tunku Dato' Seri Iskandar bin Tunku Tan Sri Abdullah ("TI"),* Tunku Dato' Kamil Ikram bin Tunku Tan Sri Abdullah ("TK") and Dato' Zulkifly @ Sofi bin Haji Mustapha ("DZ")</p> <p><b>Interested Major Shareholders</b> Malaysian Assurance Alliance Berhad ("MAAB"), Melewar Equities (BVI) Ltd ("MEBVI"), Melewar Equities Sdn Bhd ("MESB"), Melewar Group Berhad ("MGB"), Iternum Melewar Sdn Bhd ("IMSB") and Khyra Legacy Berhad ("KLB")</p>	<p>KLB, a company controlled by TY, is deemed interested in MAAH by virtue of its substantial shareholdings in MEBVI, a substantial shareholder of MIG.</p> <p>TI, DZ and TK are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Companies Act 1965 ("the Act").</p>	<p>WSS is a wholly owned subsidiary of MAA Corporation Sdn Bhd ("MAA Corp") who in turn is a wholly owned subsidiary of MAAH whose ultimate major shareholder is KLB.</p>	142,997
2.	MAA Corporate Advisory Sdn Bhd ("MAACA")	Corporate consultancy services by MAACA to Mycron Group	<p><b>Interested Directors</b> TY, TI, TK and DZ</p> <p><b>Interested Major Shareholders</b> MAAB, MEBVI, MESB, MGB, IMSB and KLB</p>	<p>KLB, a company controlled by TY, is deemed interested in MAAH by virtue of its substantial shareholding in MEBVI, a substantial shareholder of MIG.</p> <p>TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.</p>	<p>MAACA is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAH whose ultimate major shareholder is KLB.</p>	-

Note:

\* TI resigned as Non-Independent Non-Executive Chairman/Director of the Company with effect from 12 February 2008.

# STATEMENT ON

## CORPORATE GOVERNANCE

(continued)

No.	Related Party	Nature of Transaction	Names of Interested Director(s)/ Major Shareholder(s)/ Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
3.	MAAB	Insurance business by MAAB to Mycron Group	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Interested Major Shareholders</b> MAAB, MEBVI, MESB, MGB, IMSB and KLB	KLB, a company controlled by TY, is deemed interested in MAAH by virtue of its substantial shareholdings in MEBVI, a substantial shareholder of MIG.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MAAB is a wholly owned subsidiary of MAAH whose ultimate major shareholder is KLB.	813,715
4.	Chelsea Parking Services Sdn Bhd ("Chelsea")	Car parks rental charged by Chelsea to Mycron Group	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Interested Major Shareholders</b> MAAB, MEBVI, MESB, MGB, IMSB and KLB	KLB, a company controlled by TY, is deemed interested in MAAH by virtue of its substantial shareholdings in MEBVI, a substantial shareholder of MIG.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	Chelsea is a wholly owned subsidiary of MAA Corp who in turn is a wholly owned subsidiary of MAAH whose ultimate major shareholder is KLB.	3,144

### B. RRPTs with Melewar Group of Companies

No.	Related Party	Nature of Transaction	Names of Interested Director(s)/ Major Shareholder(s)/ Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
1.	Trace Management Services Sdn Bhd ("Trace")	Corporate secretarial services by Trace to Mycron Group	<b>Interested Directors</b> TY, TI, TK and DZ	TY, TI and TK are deemed interested in Trace by virtue of their major shareholdings in The Melewar Corporation Berhad, the substantial shareholder of Trace.  DZ is therefore deemed interested by virtue of his relationship to TY based on Section 122A(1)(d) of the Act.	Nil	111,471
2.	Mitra Malaysia Sdn Bhd ("Mitra")	Purchase of air tickets, tour and travel package by Mycron Group from Mitra	<b>Interested Directors</b> TY, TI, TK and DZ	A company in which TI has deemed interest by virtue of his substantial interest in Melewar Leisure Sdn Bhd, the holding company of Mitra.  TY, TK and DZ are therefore deemed interested by virtue of their relationship with TI based on Section 122A(1)(d) of the Act.	Nil	74,451

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(continued)

## C. RRPTs with Melewar Industrial Group (“MIG”) of Companies

No.	Related Party	Nature of Transaction	Names of Interested Director(s)/ Major Shareholder(s)/ Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
1.	Melewar Integrated Engineering Sdn Bhd (“MIE”)	Technical and consultancy services by MIE to Mycron Steel CRC Sdn Bhd (“MSCRC”) for expansion projects in cold roll mill	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MIE and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and Melewar Khyra Sdn Bhd (“MKSB”).  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MIE is a 70% owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	4,803,131
2.	MIG	Payroll and information technology services MIG to MSCRC	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MIG and MSCRC by virtue of his indirect substantial interest in MEBVI, MESB, MAAB and MKSB who collectively are the substantial shareholders of MIG.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of the Company by virtue of its 54.4% shareholding in Mycron.	-
3.	Melewar Steel Tube Sdn Bhd (“MST”)	Payroll and information technology services by MST to MSCRC	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MST and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and MKSB.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MST is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	72,000
4.	Melewar Steel Mills Sdn Bhd (“MSM”)	Rental charged by MSCRC to MSM for using premises belonging to MSCRC	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MSM and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and MKSB.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MSM is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	507,000

# STATEMENT ON

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(continued)

### C. RRPTs with Melewar Industrial Group (“MIG”) of Companies

No.	Related Party	Nature of Transaction	Names of Interested Director(s)/ Major Shareholder(s)/ Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
5.	MIG	Sale of cold rolled coils by MSCRC to MIG	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MIG and MSCRC by virtue of his indirect substantial interest in MEBVI, MESB, MAAB and MKSB who collectively are the substantial shareholders of MIG.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	-
6.	MST	Sale of cold rolled coils by MSCRC to MST	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MST and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and MKSB.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MST is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	56,388,381
7.	MSM	Sale of scrap by MSCRC to MSM	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MSM and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and MKSB.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MSM is a wholly owned subsidiary of MIG.  MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	4,447,440
8.	MIG	Sale of pipes by MIG to MSCRC	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MIG and MSCRC by virtue of his indirect substantial interest in MEBVI, MESB, MAAB and MKSB who collectively are the substantial shareholders of MIG.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MSCRC is a wholly owned subsidiary of Mycron.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	221,653

# STATEMENT ON CORPORATE GOVERNANCE

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No.	Related Party	Nature of Transaction	Names of Interested Director(s)/ Major Shareholder(s)/ Person(s) Connected in Mycron Group	Manner of relationship with the Related Party		Value of Transaction (RM)
				Director	Major Shareholder	
9.	MST	Sale of second grade pipes and provision of slitting services by MST to MSCRC	<b>Interested Directors</b> TY, TI, TK and DZ  <b>Major Shareholder</b> MIG	TY is deemed interested in MST and MSCRC by virtue of his indirect substantial interest in MIG vide the shareholdings of MEBVI, MESB, MAAB and MKSB.  TI, TK and DZ are therefore deemed interested by virtue of their relationship to TY based on Section 122A(1)(d) of the Act.	MST is a wholly owned subsidiary of MIG.  MIG is the substantial shareholder of Mycron by virtue of its 54.4% shareholding in Mycron.	14,154

## COMPLIANCE STATEMENT

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2008.

This statement was approved by the Board of Directors on 26 August 2008.